

City of Hurst, Texas

Annual Comprehensive Financial Report

Year Ended September 30, 2025

Prepared by: City of Hurst, Texas Finance Department



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Introductory Section





February 25, 2026

Honorable Mayor, City Council Members,
and Citizens of the City of Hurst, Texas
City of Hurst
Hurst, Texas

The Annual Comprehensive Financial Report (ACFR) of the City of Hurst, Texas (City) for the fiscal year ended September 30, 2025 is attached. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included in the report.

This document is organized as prescribed by Governmental Accounting Standards Board pronouncement #34 (GASB 34). Accounting standards require the inclusion of a narrative introduction and an overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A, which is located immediately following the independent auditor's report.

The ACFR is presented in three parts comprised of the Introductory, Financial, and Statistical sections. The Introduction includes the transmittal letter, the City's organizational chart, and a list of principal officials. The Financial section includes the independent auditor's report, MD&A, basic financial statements, required supplementary information, and combining statements and individual fund schedules. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. In the future, the City will continue to implement and incorporate new GASB pronouncements in the financial statements and notes according to their effective dates.

REPORTING ENTITY AND ITS SERVICES

The City of Hurst is located in north central Texas, in northeast Tarrant County, approximately nine miles from downtown Fort Worth and eighteen miles from downtown Dallas on SH-121, Airport Freeway (also known as the North Tarrant Express). Hurst's centralized location provides quick access to both Dallas and Fort Worth metropolitan areas and is fifteen minutes away from one of the World's busiest airports, D/FW International. The City has a total land area of 10 square miles and is 99% developed.

Voters adopted the City of Hurst's Home Rule Charter on December 29, 1956. The City operates under a Council-Manager form of government with the City Council consisting of a Mayor and six Council members elected at-large. Henry Wilson, a long-tenured Council Member, was elected Mayor in 2018. Five of the six at-large Council members are newly elected since 2018, while one member who originally served 2016 to 2018 was re-elected in November 2024. The Council is very supportive of staff, and they are open to receiving input from the public through surveys, town hall meetings and public hearings. The City's management team, in turn, executes the Council's policy directives to achieve their strategic vision. In 2013, Hurst's Council was named the Council of the Year by the Texas City Management Association. The values and professionalism that helped that Council earn the award in 2013 are consistently practiced by the current-day City Council.

The City provides a full range of services, including public safety (police, fire, emergency medical services, and animal services), public works (engineering, streets/drainage, and water/sewer), planning and community development (planning, building inspections, code enforcement, and neighborhood services), community services (parks, recreation, library, aquatics, and senior center), conference center, and other general administrative services. The Hurst-Euleless-Bedford, Birdville, and Grapevine-Colleyville Independent School Districts provide elementary and secondary education services within the City. The Tarrant County College Northeast Campus is also located within city limits.

ECONOMIC CONDITION AND OUTLOOK

Coming out of the pandemic and the related economic uncertainty that persists today, including inflationary pressures and staffing challenges, the City remains committed to the Council's strategic planning process and its conservative budgeting practices. The steadfast leadership of the Council and executive team helped guide the City through these recent and ongoing challenges while maintaining our strong overall financial position.

Public safety remains a top priority for our community, with over half of General Fund expenditures dedicated to Police and Fire operations. This focus on Police and Fire operations is reflected in the annual citizen survey, which consistently ranks public safety as their top priority.

The City also remains committed to our redevelopment plan that focuses on key catalytic areas with underutilized commercial space that can be repurposed or reimaged. In 2025, Hurst welcomed over 100 new businesses, reinforcing our commitment to economic growth and vitality. Redevelopment and infill remain top priorities as Economic Development continues to collaborate with North East Mall and our small business community. Simon Property Group has consistently invested \$750,000 annually into mall improvements, often surpassing the million-dollar mark to maintain curb appeal and enhance the visitor experience. Support for small businesses remains strong through initiatives such as sign improvement matching grants and brand awareness programs.

Additionally, our partnership with the North Central Texas Council of Governments on the State Highway 10 study will conclude in early 2026, identifying three catalytic areas primed for redevelopment. Property owners, citizens, and stakeholders, including Bell Helicopter, have actively participated in shaping the future of our industrial corridor to foster economic vitality and positive growth. Currently, commercial space in Hurst maintains a healthy 92% occupancy rate. Tourism continues to thrive, with an average of 21,000 monthly visitors coming to Hurst from more than 50 miles away and contributing \$29.5 million in spending last year.

Property taxes remain a primary revenue source for General Fund operations, representing approximately 47% of total General Fund revenues for Fiscal Year 2024-2025. Certified net taxable values increased by 7.6% in Tax Year 2024, reflecting a stable housing market and continued growth in the region. As a result, we budgeted a 6.8% increase in property tax revenues in fiscal year 2024-2025. However, because we refinanced outstanding debt and took advantage of the low interest rate environment in recent years, the debt component of our property tax rate was flat in Fiscal Year 2024-2025.

Sales taxes are also a key revenue source for General Fund operations, representing approximately 28% of total General Fund revenues for Fiscal Year 2024-2025. The North East Mall and other quality shopping centers throughout the City have established Hurst as a major retail destination in Tarrant County, and the City is committed to pursuing economic development opportunities to sustain and enhance our sales tax base. In addition to the 1% General Fund sales tax, the City also assesses a half percent (half-cent) sales tax for crime control and prevention purposes, and a half percent (half-cent) sales tax for Community Services projects. Total sales taxes increased by 2.5% in Fiscal Year 2024-2025 and 3.5% in the first five months of Fiscal Year 2025-2026. However, because of the volatile nature of sales taxes, our budget is set at an amount equal to prior year returns minus a budgeted contingency, usually between \$500,000 to \$1,000,000. In Fiscal Year 2024-2025, sales tax revenues for the General Fund were approximately \$1.6 million over budget. The benefits of this conservative approach are reflected in the strength of the included financial statements and the City's bond ratings.

City staff evaluates our fee structure when developing the annual budget and on an ongoing basis. Community Services revenues, which include fees charged at the City's Recreation Center, two Aquatics Centers, Senior Center and Athletic Fields were up by \$60,000, or 5.3%, in Fiscal Year 2024-2025. Community Services was significantly impacted by the pandemic and more recently by inflationary pressures and staffing challenges. Municipal Court fines were up by \$14,600, or 2.9%, in Fiscal Year 2024-2025. Court fines appear to have stabilized after trending down over the past several years for various reasons including alternative, non-monetary, ways to satisfy fines owed. Franchise fees were down slightly by \$16,000, or 0.6%, in Fiscal Year 2024-2025. Increases in gas, solid waste and telephone franchise fees were offset by decreases in electric and cable franchise fees. Telephone and cable franchise fees have been impacted in recent years by shifting consumer preferences to video streaming services and by a change to state law that allows providers to pay only the higher of the fees due for either their telecommunications or cable/video services.

The General Fund budget for Fiscal Year 2025-2026 increased by 4.2% over the previous year's adopted budget and focuses on maintaining service levels while addressing inflationary pressures, particularly in the labor market. After careful consideration of rising property values and other positive trends, budgeted revenues, including property taxes, sales taxes, ambulance billing fees, interest earnings, and other miscellaneous fees/fines were increased to balance the General Fund Budget for Fiscal Year 2025-2026.

The City has developed a proactive, multi-level Fiscal Management Plan that has been utilized during times of financial instability, such as the Great Recession and the Covid-19 Pandemic. The City Manager and Fiscal Services' staff monitor revenues/expenditures daily and take appropriate actions as economic conditions change. This conservative and proactive approach provides financial stability and allows the City to maintain quality services and programs.

MAJOR INITIATIVES

FISCAL YEAR 2024-2025 - During the past fiscal year, the City of Hurst undertook several major initiatives. Departmental missions and programs are highlighted as follows:

The Legislative and Judicial Services Department includes the Legislative, Public Information and Judicial Services Divisions. These three Divisions provide responsive governance, transparent communication, and fair judicial services. In 2024-2025, the Legislative Division worked to effectively represent the residents of Hurst and improve the quality of life throughout the City. The Public Information Division updated the City's Code of Ordinances, coordinated Board, Commission and Committee appointments, and responded to Public Information Requests. The Judicial Division implemented Youth Diversion and OmniBase programs, and maintained required certifications for clerks.

The Administration Department provides strategic leadership and oversight to ensure effective implementation of City Council priorities. In 2024-2025, they hosted an Employee Appreciation Week and Hurst Way Conference, and launched the Code of Ideals survey to guide refinements.

The Economic Development Department promotes economic vitality through business attraction/retention and redevelopment. In 2024-2025, they redesigned the Department's webpage, launched a Hurst-only real estate listing tool, re-opened the Brookside Center for rentals, advanced redevelopment efforts on Highway 10, and expanded Lemonade Day participation for young entrepreneurs.

The Hurst Conference Center (<https://hurstcc.com/>) is a state-of-the-art facility with over 50,000 square feet of event space and an adjoining 140-room hotel. The Conference Center can accommodate intimate events or multi-day programs for up to 900 guests and offers exceptional on-site catering. In 2024-2025, they focused on client retention, added new office and storage space, switched event management software, and cut costs by reducing their use of temporary staffing agencies.

The Public Works Department maintains the City's streets/drainage, traffic, water and wastewater systems, while maintaining a safe and efficient working environment. In 2024-2025, they completed streets projects on Pipeline Road (Phase 3) and Livingston Drive (Community Development Block Grant-funded), and traffic signal improvements on Precinct Line Road. They also submitted Water Conservation and Drought Contingency Plans to the Texas Commission on Environmental Quality (TCEQ), and safely disposed over 40,000 pounds of hazardous materials dropped-off by Hurst residents during four household collection events.

The Fiscal Services Department ensures financial sustainability through sound fiscal management and reporting. In 2024-2025, they earned GFOA awards for Budget and Financial Reporting, maintained **AA+/Aa2** ratings, facilitated debt issuance, and supported Advanced Metering Infrastructure (**AMI**) meter implementation.

The Utility Billing Department is committed to providing accurate billing and exceptional customer service for water, wastewater, sanitation, and recycling services. In 2024-2025, they implemented the Aclara Smart Meter Reading System, completed a comprehensive staff procedures manual, and reduced aged account balances to under 90 days.

The Information Technology Department provides secure, reliable technology infrastructure and innovative solutions. In 2024-2025, they began implementing a new Computer Aided Dispatch/Record Management System, upgraded Cityworks & Energov software, and installed a new phone system at the Hurst Conference Center.

The Planning and Community Development Department works to enhance the quality of life in Hurst by ensuring safe, sustainable development and maintaining neighborhood integrity. In 2024-2025, they reviewed/updated ordinances to strengthen community standards, and promoted revitalization programs such as Property Pride and Tarrant County HOME.

The Equipment Services Department ensures safe, reliable, and cost-effective operation of the City's vehicles and equipment. In 2024-2025, they maintained a comprehensive preventive maintenance and equipment replacement program.

The Human Resources Department supports workforce excellence through recruitment, training, and total rewards programs. In 2024-2025, they reduced workers' comp rates by 10%, standardized hiring/onboarding, continued the 12-session Supervisory Series, and improved engagement by combining the annual Service Awards Luncheon and Employee Conference.

The Police Department provides exceptional law enforcement services through community policing and advanced technology. The Department's budget is supplemented by a .5% (half-cent) anti-crime sales tax that generated approximately \$6.2 million in 2024-2025. In 2024-2025, they upgraded their Public Safety Radio System, purchased SWAT rifles, and maintained their Commission on Accreditation for Law Enforcement Agencies (CA LEA) accreditation.

The Fire Department delivers responsive fire protection and emergency medical services. In 2024-2025, they updated the City's Hazard Mitigation Plan, completed the radio system installation and integration into the North Texas Interoperability Network, responded to approximately 3,600 Emergency Medical Services (EMS) calls, and completed compliance audits.

The Community Services Department offers recreational and educational opportunities to residents and non-residents alike at the City's 17 parks, 2 aquatics centers, a senior center, recreation center and library. The Community Services Budget is supplemented by a .5% (half-cent) sales tax that generated approximately \$6.3 million in 2024-2025. In 2024-2025, Community Services completed major projects like Rickel Park playground replacement and fitness station installations. Parks upgraded its irrigation controllers, Recreation hosted the Stars & Stripes (10,000 attendees) and Christmas Tree Lighting (7,250 attendees) events, Aquatics hosted the Dive-In Movies and Doggie Dive-In events, the Senior Center coordinated the HEB Senior Games and Senior Jamboree, and the Library welcomed 91,720 visitors, hosted 519 programs and earned the Texas Municipal Library Directors Association (TMLDA) Achievement in Excellence Award.

FISCAL YEAR 2025-2026 – The following section highlights a few of the initiatives planned for next fiscal year:

- Economic Development will continue redevelopment efforts, including the reimagining of recently acquired properties, launch a Conference Center guest app, and strengthen redevelopment partnerships including Simon Property Group.
- The Hurst Conference Center will focus on client retention and growth, maintaining high satisfaction ratings, and reinvesting profits into repairs/maintenance.
- Public Works will continue to maintain the City's infrastructure by managing streets projects including Pipeline Road, Brown Trail and Ponderosa Drive, maintaining/renovating water wells and ground storage facilities including at Pump Stations 1 and 5, and inspecting and cleaning/treating sanitary sewer mains.
- Utility Billing will continue to manage the AMI deployment including meters, network infrastructure, and a customer portal.
- Finance will monitor the City's fiscal condition, including the impacts of inflation, interest rates and any lingering supply chain pressures. Finance will also facilitate the issuance of new debt, the implementation of new accounting standards and the provision of training for end-users involved in purchasing goods and services.
- Information Technology will continue monitoring cyber-security threats and the adequacy of the City's defenses against them, including annual cyber security training and two-factor authentication. Information Technology will also coordinate the installation of new/updated software and equipment, including upgrading ESRI Geographic Information System (GIS) software.
- Planning and Community Development will promote programs such as Property Pride and enforce code compliance to maintain neighborhood integrity.

- Human Resources will update the Employee Policy Manual, evaluate the City's benefit offerings including their competitiveness with neighboring cities, implement Laserfiche for personnel records, and a ticketing system to track service requests.
- Police will continue to provide excellent and responsive services, aided by purchasing new equipment and leveraging technology where appropriate.
- Fire will continue to provide professional development opportunities for staff, monitor technology and equipment needs, and expand its partnership with the Northeast Fire Department Association (NEFDA).
- Community Services will maintain its facilities amenities, evaluate programming and fees, including through the outsourcing of the two Aquatics centers.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control system should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

RISK MANAGEMENT

The City remains committed to leadership and cultural management programs that promote ethical and professional behavior. The City's executive management team and City Council are fully committed to The Hurst Way and The Code of Ideals.

The City maintains budgetary controls, including an encumbrance accounting system, to ensure that actual expenditures do not exceed budgeted (appropriated) amounts. These budgetary controls are established at the fund level. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council, after public hearings.

To assist with ongoing oversight, key members of the City Manager's Office and Fiscal Services teams meet monthly to review the City's financial statements.

To ensure that the financial statements are fairly presented in accordance with generally accepted accounting principles, the City Council engaged Forvis Mazars, LLP to conduct an independent audit of our financial statements for the fiscal year ending 9/30/2025.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hurst for its annual comprehensive financial report (ACFR) for fiscal year ended September 30, 2024. This was the 51st year that the government has achieved this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

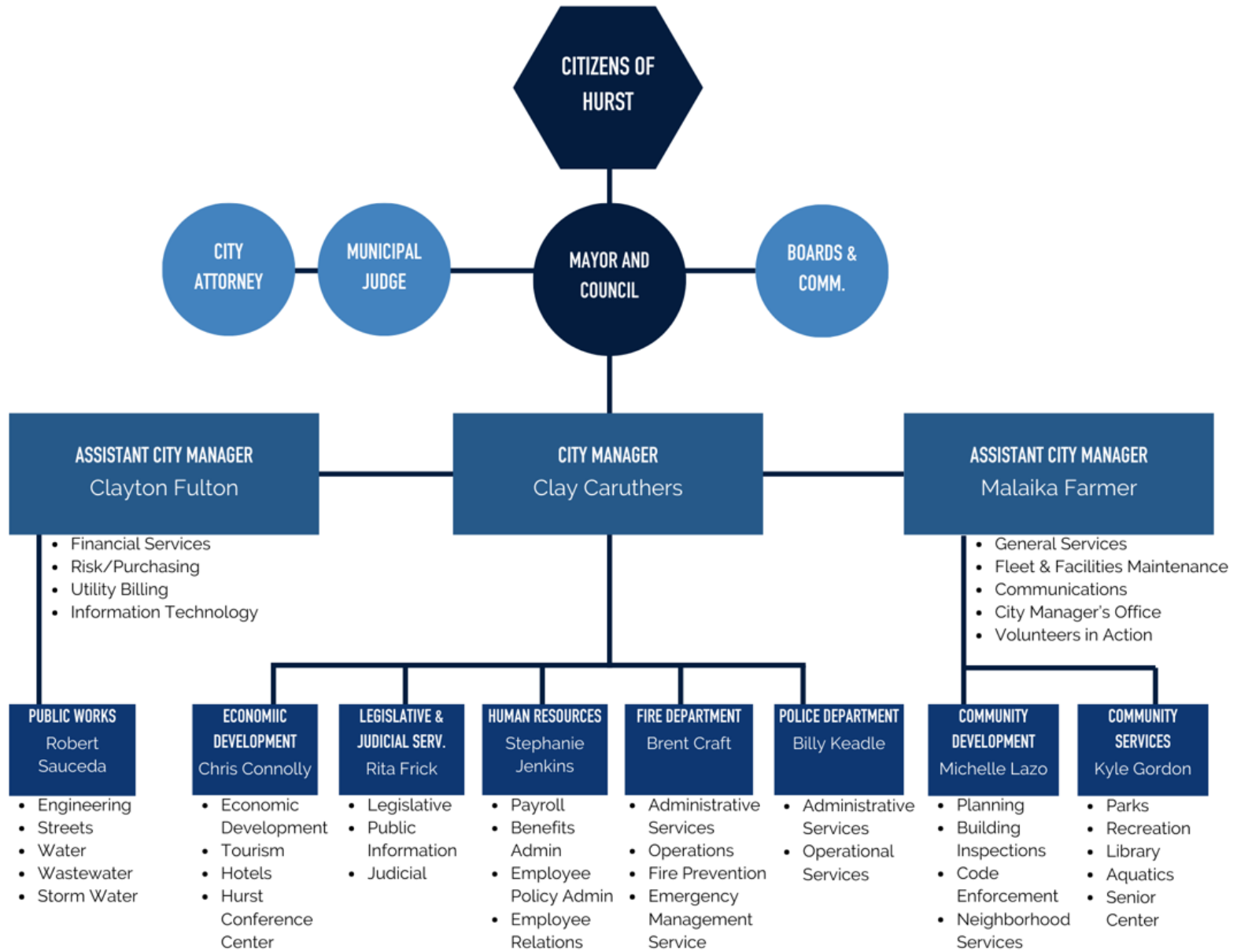
ACKNOWLEDGMENTS

The preparation of the ACFR on a timely basis could not be accomplished without the dedicated efforts of the Fiscal Services staff. Appreciation is expressed to all members of the department who contributed to its preparation. I would like to especially thank Paul Brown, Managing Director of Finance, for overseeing the year-end audit process. The Mayor and members of the City Council are thanked for their strong leadership and support and for providing the resources necessary to conduct the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Clay Caruthers", with a long horizontal flourish extending to the right.

Clay Caruthers
CITY MANAGER



CITY OF HURST, TEXAS
LIST OF PRINCIPAL OFFICIALS
September 30, 2025

CITY COUNCIL

Henry Wilson	Mayor
Jon McKenzie	Mayor Pro Tem
Jimmy Meeks	Councilmember
Gary N. Waldron	Councilmember
Cathy Butler Brotherton	Councilmember
John Miller	Councilmember
Trasa Cobern	Councilmember

MANAGEMENT TEAM

Clay Caruthers	City Manager
Clayton Fulton	Assistant City Manager
Malaika Farmer	Assistant City Manager
Brent Craft	Fire Chief
Billy Keadle	Police Chief
Rita Frick	City Secretary
Robert Saucedo	Executive Director of Public Works
Chris Connolly	Executive Director of Economic Development
Stephanie Jenkins	Executive Director of Human Resources
Michelle Lazo	Executive Director Planning & Community Development
Kyle Gordon	Executive Director of Community Services
Paul Brown	Managing Director of Finance

Matthew Boyle	City Attorney
Forvis Mazars, LLP	Auditors



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Hurst
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

Financial Section



Independent Auditor's Report

Honorable Mayor, Members of City Council,
and City Manager
City of Hurst, Texas
Hurst, Texas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hurst, Texas (City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and

Honorable Mayor, Members of City Council,
and City Manager
City of Hurst, Texas

schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the City's 2024 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated March 7, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Forvis Mazars, LLP

**Dallas, Texas
February 25, 2026**



City of Hurst, Texas
Management's Discussion and Analysis
Year Ended September 30, 2025

Management's Discussion and Analysis

Our discussion and analysis of City of Hurst's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2025. Please read this in conjunction with the transmittal letter and the City's basic financial statements following this section.

Financial Highlights

The assets and deferred outflows of resources for the City of Hurst exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended September 30, 2025, by \$239,177,128. Of this amount, \$29,846,725 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's net position increased \$5,894,652, an increase of 2.53%. The net position of business-type activities increased by \$1,455,074 or 1.94%, primarily due to operating revenues, investment earnings and transfers in from governmental funds exceeding operating expenses. Net position of the City's governmental activities increased by \$4,439,578 or 2.80%. Property tax revenues increased because Certified Net Taxable Values increased 7.6% in tax year 2024 and the City increased the maintenance and operations component of its property tax rate by \$0.01 per \$100 of taxable assessed value. Sales tax revenues increased 2.5%. Inspection revenues increased due to the tear-down and rebuild of LD Bell High School, while ambulance billing revenues increased after switching to a new third-party collector. Interest earnings were down as the Federal Reserve cut interest rates three times in calendar year 2024 and three times in calendar year 2025. Other revenues, including hotel/motel taxes, grants, inspection fees, weed mowing fees, and court fines contributed to the City's strong financial performance in FY2025. The City also transferred approximately \$9 million from its governmental activities reserves to other funds of the City for special projects.

The City's business-type activities are made up of water and sewer delivery, storm water management and Hurst Conference Center (HCC) operations. The Water and Sewer Fund ended the year with an operating loss of \$311,907 and after transfers and contributions achieved an ending increase in net position of \$1,458,184. The Storm Water Management Fund provides for annual infrastructure maintenance and continues to accumulate reserves for large-scale projects identified in the City's Capital Improvements Plan (CIP). The Storm Water Management Fund contributed an increase of \$12,244 to the change in net position of business-type activities. HCC experienced an increase in net position of \$107,676. The City's objective is for the HCC to remain around "break-even" operationally with economic development sales tax and hotel/motel occupancy tax supporting the center's debt. HCC revenues have recovered over the recent years and for FY2025, HCC experienced an operating income before contributions and transfers totaling \$13,303. Additionally, the HCC has maintained a balance of one million dollars or more in cash and cash equivalents over the last seven fiscal years, including those impacted by the pandemic. Going forward, the City will strategically reinvest net operating proceeds back into the facility to ensure that it remains a vibrant component of the Hurst Town Center.

Net position of the two non-major Enterprise Funds increased by \$35,390. These funds, which include the Hurst Public Facility Corporation Fund and Val Oaks Fund, target the City's economic development initiatives.

Total cost of all of the City's programs was \$92,232,097 in 2025 compared to \$88,680,781 in 2024.

During the year, the City had governmental program expenses of \$61,624,408, which is less than program and general revenues, contributions, and net transfers of \$66,063,986. The FY2025 Budget increased by 4% to cover a 3.5% Cost of Living Adjustment (COLA), increased contributions for health care, a one-time lump sum payment for public safety, and other miscellaneous adjustments to cover anticipated inflationary pressures. At fiscal year end, approximately \$4.4 million of reserves in excess of 90 days of operations was transferred from the General Fund to the Special Projects to cover future pay-go projects, and \$1.2 million of excess reserves was transferred to the Loss Reserve fund to cover health care costs.

City of Hurst, Texas
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The business-type activities had program expenses of \$30,607,689 and operating revenues and contributions of \$30,045,697. Additionally, \$2,017,066 of general revenues, including transfers, contributed to the excess revenues over program expenses. Approximately \$2.4 million is reserved for future capital expenditures. Payments to the City of Fort Worth for wholesale water decreased by 3.5%, primarily due to the annual raw water settle-up credit adjustment that totaling approximately \$518,000. Conversely, payments to the City of Fort Worth and the Trinity River Authority for wholesale wastewater treatment rose by 3.1% to cover rising treatment costs and infrastructure upgrades. The FY2025 Budget increased by 7% to cover a 3.5% Cost of Living Adjustment (COLA), rising wholesale water/wastewater expenditures, capital expenditures, and other miscellaneous adjustments to cover anticipated inflationary pressures. Water revenues were flat in FY2025, and can fluctuate from year-to-year based on changing weather conditions. Sewer revenues are generally more stable and increased approximately 1.4% following a 3% increase in water/sewer rates in the FY2025 budget. Reductions in revenues that can vary from year-to-year, include contributions from private sources, gain on disposal of equipment, and interest earnings caused revenues to decline in FY2025.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14 through 16) provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements start on page 17. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most financially significant funds.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities:

Our analysis of the City as a whole begins on page 14. One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in them. You can think of the City's net position, the difference between assets and deferred outflows, what the citizens own, and liabilities and deferred inflows of resources, what the citizens owe, as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position are one indicator of its *financial health*. You will need to consider other non-financial factors, however, such as changes in the City's tax base, and the condition of the City's capital assets (roads, buildings and water and sewer lines) to assess the *overall health* of the City.

For the governmental activities, net position decreased by \$4,439,578 which is primarily impacted by an increase in revenues by \$409,808 while expenditures increased by \$1,321,830. Intergovernmental revenues decreased, which can fluctuate from year-to-year, and investment earnings decreased due to falling interest rates in FY2025. However, revenues were positively impacted by property and sales taxes, building inspection fees, and ambulance billing fees. Expenditures were impacted by a 3.5% COLA, rising health care premiums/claims, and increased inspection fees. Further, net transfers decreased by \$7,233,910 as there was a significant increase in transfers to the Water and Sewer Fund in prior year for the new smart meter project.

City of Hurst, Texas
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In the Statement of Net Position and the Statement of Activities we divide the City into two kinds of activities:

Governmental Activities: most of the City's basic services are reported here, including the police, fire, municipal court, street maintenance, parks and recreation, financial services, and general administration. Property taxes, sales taxes, charges for services, and fines/forfeitures finance most of these activities.

Business-type Activities: the City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's water and sewer system, storm water management activities, conference center operations, and public facility corporation activities are reported here.

Reporting the City's Most Significant Funds (Fund Financial Statements)

Our analysis of the City's major funds begins on page 16. The governmental funds financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law. However, the City Council establishes many other funds to help it control and manage activity for particular purposes or to show that it is meeting legal responsibilities for using certain revenues. Understanding a fund's origin and purpose is essential for the appropriate presentation of fund balance per GASB 54, *Fund Balance Reporting and Government Fund Type Definitions*.

The City's two primary types of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds: Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations following the fund financial statements.

Proprietary Funds: When the City charges customers for the full cost of the services it provides, whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise funds (a component of business-type funds) are the same as the business-type activities we report in the government-wide statements (except for any proration of net income or loss from internal service funds) but provide more detail and additional information, such as cash flows, for proprietary funds.

City of Hurst, Texas
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The City as a Whole

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$239,177,128, as of September 30, 2025.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 96,973,392	\$ 95,320,344	\$ 29,130,966	\$ 36,457,202	\$ 126,104,358	\$ 131,777,546
Capital, lease, and subscription assets	153,371,044	154,427,716	69,922,445	57,118,711	223,293,489	211,546,427
Total assets	250,344,436	249,748,060	99,053,411	93,575,913	349,397,847	343,323,973
Deferred outflows of resources	9,806,217	13,551,845	1,962,905	2,689,738	11,769,122	16,241,583
Long-term liabilities	89,641,670	96,800,033	16,914,524	15,225,210	106,556,194	112,025,243
Other liabilities	3,741,839	5,106,796	6,810,790	5,317,214	10,552,629	10,424,010
Total liabilities	93,383,509	101,906,829	23,725,314	20,542,424	117,108,823	122,449,253
Deferred inflows of resources	4,034,970	3,100,480	846,048	733,347	4,881,018	3,833,827
Net position						
Net investment in capital assets	113,395,513	110,245,082	63,228,162	51,453,028	176,623,675	161,698,110
Restricted	32,706,728	30,291,151	-	-	32,706,728	30,291,151
Unrestricted	16,629,933	17,756,363	13,216,792	23,536,852	29,846,725	41,293,215
Total net position	\$ 162,732,174	\$ 158,292,596	\$ 76,444,954	\$ 74,989,880	\$ 239,177,128	\$ 233,282,476

City of Hurst, Texas
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	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
General Revenue						
Sales taxes	\$ 24,881,102	\$ 24,289,712	\$ -	\$ -	\$ 24,881,102	\$ 24,289,712
Franchise taxes	2,636,333	2,653,614	-	-	2,636,333	2,653,614
Property taxes	23,832,089	23,090,993	-	-	23,832,089	23,090,993
Occupancy taxes	722,876	858,190	-	-	722,876	858,190
Investment earnings (losses)	3,930,133	5,069,797	1,109,714	1,404,232	5,039,847	6,474,029
Gain on sale of capital assets	-	-	-	412,562	-	412,562
Miscellaneous	1,370,281	1,121,117	857,775	506,325	2,228,056	1,627,442
Program revenue						
Charges for service	6,878,351	4,987,048	29,125,656	28,470,936	36,004,007	33,457,984
Operating grants and contributions	1,390,430	2,013,386	-	-	1,390,430	2,013,386
Capital grants and contributions	471,968	1,619,898	920,041	1,903,018	1,392,009	3,522,916
Total revenues	66,113,563	65,703,755	32,013,186	32,697,073	98,126,749	98,400,828
Program Expenses Including Indirect Expenses						
General government	6,283,914	9,616,217	-	-	6,283,914	9,616,217
Public safety	32,664,842	30,952,740	-	-	32,664,842	30,952,740
Culture and recreation	14,202,361	13,381,888	-	-	14,202,361	13,381,888
Public works	7,117,257	4,967,470	-	-	7,117,257	4,967,470
Interest on debt	1,356,034	1,384,263	-	-	1,356,034	1,384,263
Water and sewer	-	-	25,070,882	23,262,027	25,070,882	23,262,027
Stormwater management	-	-	1,405,798	1,221,302	1,405,798	1,221,302
Hurst Public Facility Corporation	-	-	40,676	50,650	40,676	50,650
Val Oaks	-	-	119,040	175,582	119,040	175,582
Conference and meeting center	-	-	3,971,293	3,668,642	3,971,293	3,668,642
Total expenses	61,624,408	60,302,578	30,607,689	28,378,203	92,232,097	88,680,781
Excess Before Transfers	4,489,155	5,401,177	1,405,497	4,318,870	5,894,652	9,720,047
Transfers	(49,577)	(7,283,487)	49,577	7,283,487	-	-
Change in Net Position	4,439,578	(1,882,310)	1,455,074	11,602,357	5,894,652	9,720,047
Net Position Beginning	158,292,596	160,174,906	74,989,880	63,387,523	233,282,476	223,562,429
Net Position Ending	<u>\$ 162,732,174</u>	<u>\$ 158,292,596</u>	<u>\$ 76,444,954</u>	<u>\$ 74,989,880</u>	<u>\$ 239,177,128</u>	<u>\$ 233,282,476</u>

Net position of the City's governmental activities increased by 4,439,578, equaling \$162,732,174 at September 30, 2025, compared to \$158,292,596 at September 30, 2024.

For the net position of the City's Governmental Activities, Net Investment in Capital Assets and restricted increased by a combined \$5,566,008, while Unrestricted net position decreased by \$1,126,430, largely due to an operating transfer of \$2,500,000 from the Heal-Cent Anti-Crime fund in FY2024 for public safety radios that were capitalized in FY2025, and a larges transfer to the Loss Reserve fund in FY2025 to cover health care costs. Some functions such as public safety, culture and recreation, and public works reflect increases in operating expenses which are offset by decreases in general government. In FY2025, the City provided a 3.5% Cost of Living Adjustment and other targeted salary increases to remain competitive, and increased the employer contribution to our self-funded health care plan. Although it appears to be leveling off, operating expenses were also impacted by ongoing inflationary pressures.

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Increased operating expenses were offset by rising property and sales tax revenues, inspection fees, and ambulance billing revenues. Interest earnings declined due to falling interest rates and marking investments to market at fiscal year-end, but these revenues are budgeted conservatively due to their potentially volatile nature and all investments are held to maturity. Intergovernmental and hotel/motel tax revenues also declined. Miscellaneous revenue increased due to an adjustment to contracts/retainage payable. Unrestricted net position can be used to finance the day-to-day operations of the City, while the use of restricted net position is constrained by debt covenants, enabling legislation, or other legal requirements. Restricted net position is primarily used for public safety, community development, tourism, transit activities, capital projects, and debt service.

The net position of the City's business-type activities increased by \$1,455,074 or 1.94% in 2025 to \$76,444,954 compared to \$74,989,880 in 2024. Income of \$643,876 occurred before transfers and contributions. The City raised water and sewer rates by 3% in FY25 to offset rising wholesale water and wastewater costs. Water revenues are heavily influenced by weather patterns. Overall, the Water and Sewer Fund remains fiscally sound.

The City's Funds

The following schedules presents a summary of general, special revenue, capital projects/special projects and debt service revenues and expenditures for the fiscal year ended September 30, 2025, and the amount and percentage of increases and decreases in relation to the prior year.

Revenues	FY2025 Amount	Percent of Total	Increase (Decrease) from FY2024	Percent Increase (Decrease)
Taxes	\$ 52,171,267	80.48%	\$ 1,378,132	2.71%
Licenses and permits	3,673,610	5.67%	2,523,112	219.31%
Intergovernmental	1,464,902	2.26%	(927,955)	(38.78)%
Charges for services	2,999,595	4.63%	605,684	25.30%
Fines and forfeitures	526,940	0.81%	14,745	2.88%
Investment earnings	3,371,172	5.20%	(991,079)	(22.72)%
Miscellaneous	615,784	0.95%	249,666	68.19%
Total revenues	<u>\$ 64,823,270</u>	<u>100.00%</u>	<u>\$ 2,852,305</u>	

Hotel/motel revenues, intergovernmental revenues, investment earnings, and animal adoption fees were all down in FY2025. However, building inspection fees, property taxes, ambulance billing fees, and sales taxes drove the overall increase in revenues in FY2025.

City of Hurst, Texas
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Expenditures	FY2025 Amount	Percent of Total	Increase (Decrease) from FY2024	Percent Increase (Decrease)
General government	4,704,822	7.63%	368,552	8.50%
Public safety	29,076,996	47.14%	816,971	2.89%
Culture and recreation	11,342,200	18.39%	453,233	4.16%
Public works	3,986,666	6.46%	964,082	31.90%
Capital outlay	7,222,276	11.71%	(2,911,346)	-28.73%
Debt service				
Principal	3,888,047	6.30%	155,003	4.15%
Interest and fees	1,463,623	2.37%	(32,645)	-2.18%
Total expenditures	<u>\$ 61,684,630</u>	<u>100.00%</u>	<u>\$ (186,150)</u>	

Capital outlay and public works maintenance expenditures can fluctuate each year according to asset replacement programs and construction schedules. In FY2025, Public Works had increased costs for third-party contractors, including for building inspection and code enforcement services. However, fees are collected to offset the costs for these services. Public Safety (Police) also incurred increased costs for salary and benefits due to retirements, which were partially offset by reductions in professional services and capital expenditures. Inflationary pressures impacted all functions in FY2025 to varying degrees.

The General Fund is the chief operating fund of the City. General Fund revenues exceeded expenditures by \$6,770,241. The primary revenue drivers are property taxes, sales taxes, licenses and permits, and charges for services. Property taxes grew in FY2025 due to rising property values and a slight increase in the Maintenance and Operations component of the tax rate. Sales taxes increased 2.5% due to a resilient economy and perhaps by rising tariffs. Licenses and permits increased due to the collection of inspection fees for the rebuild of a local high school, charges for services increased due to code enforcement activities and switching to a new third-party ambulance billing collector. Interest earnings, hotel/motel taxes and support from governmental entities all decreased in FY2025. Departmental expenditures increased 2.7% in FY2025, in-line with inflation and a 3.5% COLA. A 90-day reserve was retained in the General Fund at fiscal year-end, while \$4.5 million in excess reserves were transferred to the Special Projects Fund for pay-go projects, and \$1.1 million was transferred to the Loss Reserve fund to offset health care costs. At fiscal year end, the spendable, unassigned fund balance of the General Fund was \$11,576,809 compared to \$10,827,343 at September 30, 2024. Staff monitors fund balance to ensure that ninety days of operations are always in reserve.

The fund balance in the Half Cent Development Corporation (HCDC) Special Revenue Fund increased by \$103,663 in 2025 after increasing \$465,536 in 2024. Sales taxes increased 2.4%, but were offset by declines in intergovernmental revenues and interest earnings. Excluding a few specialty expenditures for parks master planning, ball field drainage improvements, and transportation grant writing services, operating expenditures were in-line with inflation and a 3.5% COLA. Capital expenditures decreased slightly, and included Aquatics repairs, Hurst Athletic Center repairs, and outdoor fitness and other miscellaneous equipment replacement.

The Fund Balance in the Anti-Crime Special Revenue Fund increased by \$1,583,512, after decreasing \$1,182,450 last year. Sales taxes increased 2.5%, but were offset by a decrease in interest earnings. Salaries and benefits, including the cost of outsourced jail operations, increased 4.6% in FY2025, in-line with inflation and a 3.5% COLA. All other expenditures were down 11.6%.

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The fund balance in the Special Projects Fund decreased by \$409,846 in FY2025. Interest earnings and support from governmental entities decreased as interest rates fell and interlocal agreements were fulfilled. Miscellaneous revenues increased to slightly offset these declines. Net Transfers also decreased, with a \$4.5 million year-end transfer-in from the General Fund offset against \$2.1 million transfers-out for miscellaneous equipment and reimbursements for the one-time lump sum pay in FY2025. Capital "Pay-Go" projects charged to this Fund in FY2025 included demolition costs for recently acquired properties, public safety radio upgrades, Pipeline Road widening, and shade awning replacements that were damaged by severe storms. Special Projects' ending fund balance is assigned for projects approved by City Council and Management.

General Fund Budgetary Highlights

The FY2025 budget maintained existing service levels while also considering inflationary pressures and lingering supply chain constraints. Actual General Fund revenues of \$46,521,349 exceeded budgeted revenues of \$40,109,760 by \$6,411,589. Property taxes, which are the General Fund's largest and most predictable source of revenue, met budgeted expectations, while sales taxes exceeded budget by approximately \$1.6 million. Due to its potentially volatile nature, the City always budgets sales taxes conservatively. For the Community Services division, recreational activity and aquatics fees both exceeded budget. Other charges for services, including ambulance billing fees and code enforcement fees also exceeded budget. As a result, charges for services finished \$1,063,145 over budget. Intergovernmental revenues exceeded budget by approximately \$0.6 million. Northeast Transportation Service (NETS) revenues are managed for a third-party and are not budgeted and public safety severe weather deployment reimbursements can vary from year-to-year and thus are difficult to budget. Actual General Fund expenditures of \$39,751,108 were below budgeted expenditures of \$44,774,215. This \$5,023,107 positive variance was due to legal, transportation and contingency expenditures being under budget. Also, indirect costs (charges to other funds for services provided) totaling \$5.8 million, reduced expenditures in the General Fund but are not budgeted here.

Capital Asset and Debt Administration

Capital Assets: At September 30, 2025, the City had \$223,293,489 invested in capital assets including police and fire equipment, buildings, park facilities, roads, water, sewer, and storm-water facilities (See table below.) This represents a net increase of \$11,747,062, or 5.55%, from last year. This increase was caused by several ongoing capital projects in FY2025.

	Governmental Activities		Business-type Activities		Total	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Land	\$ 65,757,715	\$ 64,229,637	\$ 564,612	\$ 564,612	\$ 66,322,327	\$ 64,794,249
Buildings	41,883,863	45,728,231	456,103	485,597	42,339,966	46,213,828
Improvements	25,930,164	24,448,639	51,433,934	49,130,164	77,364,098	73,578,803
Machinery and equipment	7,745,187	4,785,173	782,190	876,340	8,527,377	5,661,513
Lease equipment	1,415,317	1,601,952	-	-	1,415,317	1,601,952
Subscription assets	899,709	1,294,185	113,620	-	1,013,329	1,294,185
CIP	9,739,089	12,339,899	16,571,986	6,061,998	26,311,075	18,401,897
Total	<u>\$ 153,371,044</u>	<u>\$ 154,427,716</u>	<u>\$ 69,922,445</u>	<u>\$ 57,118,711</u>	<u>\$ 223,293,489</u>	<u>\$ 211,546,427</u>

City of Hurst, Texas
Management's Discussion and Analysis
Year Ended September 30, 2025

This year's major asset additions (including work in progress) are as follows:

Title	Amount
2024 AMI Smart Meter Conversion	\$ 7,525,073
.75 MG Elevated Storage Tank at Mary Drive	4,427,459
2023 Miscellaneous Street Improvements	2,278,102
Demo Properties	1,304,034
Pipeline Phases 3 and 4	550,247
Replacement of Network Switches	537,363
2024 HCC Office Addition	443,369

See *Note 6* to the financial statements for more detailed information on capital, lease, and subscription asset activity.

Long-term Debt: At September 30, 2025, the total debt outstanding, excluding premiums, was \$51,902,886. Of this amount, \$49,910,000 comprises debt backed by the full faith and credit of the City. While \$170,000 represents notes secured by specific revenue sources. The remaining \$1,822,886 represents debt for lease equipment and subscription assets. See *Note 7* to the financial statements for more detailed information on long-term debt activity.

	Governmental Activities		Business-type Activities		Total	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
General obligation	\$ 26,325,000	\$ 28,870,000	\$ 1,780,000	\$ 2,515,000	\$ 28,105,000	\$ 31,385,000
Certificates of obligation	15,565,000	14,675,000	6,240,000	3,670,000	21,805,000	18,345,000
Public property finance contractual obligations	170,000	255,000	-	-	170,000	255,000
Lease liabilities	1,288,861	1,441,638	-	-	1,288,861	1,441,638
Subscription liabilities	446,998	589,652	87,027	-	534,025	589,652
Total	\$ 43,795,859	\$ 45,831,290	\$ 8,107,027	\$ 6,185,000	\$ 51,902,886	\$ 52,016,290

The City's funds continue to have favorable credit ratings. The City's current ratings are as follows:

	Moody's Investor Services	Standard & Poor's
General Obligation Bonds	AA2	AA+
Certificates of Obligations	AA2	AA+

Economic Factors and Next Year's Budgets and Rates

The FY 2025-2026 budget continues to reflect the City Council's conservative fiscal policies. Major objectives in the budget process include identifying cost-saving measures while providing funding to implement the City Council's strategic plans. The FY26 budget maintains service levels while managing inflationary pressures, replaces aging public safety equipment, maintains public spaces and allows for the pursuit of regional partnerships and redevelopment opportunities where appropriate. The FY 2025-2026 budget includes a 2.5% Cost of Living Adjustment (COLA) for all employees plus other targeted public safety market adjustments to remain competitive.

City of Hurst, Texas
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Collectively, property and sales tax revenues are budgeted to increase by approximately \$1.3 million in FY26. The property tax rate of \$0.611882 per \$100 represents a two-cent increase and will, in conjunction with rising property values, assist in managing ongoing inflationary pressures and unfunded mandates. The sales tax budget was increased based on prior year trends, but remains conservative and includes a contingency of approximately 3-percent (\$750,000) of general fund sales tax revenues. The sales tax contingency helps alleviate the impact of economic downturns while providing excess revenues during periods of economic growth. At fiscal year-end, General Fund reserves exceeding 90-days of operations are transferred to the Special Projects Fund and are used for pay-go projects and other unfunded needs. The Special Projects Fund also maintains an \$8 million emergency reserve.

For FY26, the Enterprise (Water/Wastewater) Fund's operating budget increased by 3.5%. The City contracts with Fort Worth and the Trinity River Authority for wholesale water and wastewater services. And these wholesale costs, which represent approximately 45% of this fund's budget, increased by approximately 2.7% for FY26 under the city's rate smoothing policy, the Council considers small incremental rate increases each year. As such, The FY26 budget includes a 2% increase in water and sewer rates for residential and commercial customers largely to offset increases in wholesale costs, absorb inflationary pressures and support market-based wage adjustments. Due to sound financial planning, the Enterprise Fund has been able to overcome variations in rainfall and consistently finish each fiscal year in a stable financial position.

Other Enterprise funds are established to account for Storm Drainage and Hurst Conference Center (HCC) operations. The Storm Drainage fee is anticipated to generate approximately \$1.4 million in FY26 and all proceeds are utilized to mitigate flooding and other drainage issues throughout the City. The Hurst Conference Center's offerings range from intimate gatherings to corporate events hosting up to approximately 1,000 people. Although the HCC was significantly impacted by the pandemic, revenues have since recovered and reached a new all-time high of \$3.97 million in FY2025.

Contacting the City's Financial Management

This financial report is designed to provide our residents, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Office at 1505 Precinct Line Road, Hurst, Texas 76054 (817) 788-7067 or email pbrown@hursttx.gov. To view financial documents, you may also visit the City's Website at www.hursttx.gov.

City of Hurst, Texas
Statement of Net Position
September 30, 2025 with Summarized
Totals for September 30, 2024

	Governmental Activities	Business-type Activities	Totals	
			2025	2024
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	\$ 27,103,451	\$ 11,704,615	\$ 38,808,066	\$ 38,942,969
Investments	52,231,642	11,123,651	63,355,293	72,042,465
Accounts receivables, net	9,402,561	3,599,986	13,002,547	13,852,493
Lease receivables	123,841	23,995	147,836	208,864
Internal balances	2,530,922	(2,530,922)	-	-
Inventories and prepaid expenses	266,491	356,419	622,910	536,457
Restricted assets				
Cash and cash equivalents	3,560,978	2,493,187	6,054,165	5,238,129
Investments	1,753,506	2,360,035	4,113,541	956,169
Total current assets	96,973,392	29,130,966	126,104,358	131,777,546
Land	65,757,715	564,612	66,322,327	64,794,249
Construction in progress	9,739,089	16,571,986	26,311,075	18,401,897
Depreciable, lease and subscription assets, net	77,874,240	52,785,847	130,660,087	128,350,281
Total noncurrent assets	153,371,044	69,922,445	223,293,489	211,546,427
Total assets	250,344,436	99,053,411	349,397,847	343,323,973
Deferred Outflows of Resources				
Deferred outflows related to pensions	6,169,978	1,094,802	7,264,780	10,836,293
Deferred outflows related to OPEB	2,992,886	760,890	3,753,776	4,514,089
Deferred loss on refunding	643,353	107,213	750,566	891,201
Total deferred outflows of resources	9,806,217	1,962,905	11,769,122	16,241,583
Total assets and deferred outflows of resources	\$ 260,150,653	\$ 101,016,316	\$ 361,166,969	\$ 359,565,556
Liabilities, Deferred Inflows of Resources and Net Position				
Accounts payable and accrued liabilities	\$ 3,614,635	\$ 4,061,584	\$ 7,676,219	\$ 7,573,622
Escrow deposits and unearned revenue	127,204	683,170	810,374	757,656
Customer deposits	-	2,066,036	2,066,036	2,092,732
Current portion of net OPEB liability	692,164	173,485	865,649	868,616
Current portion of long-term liabilities	5,382,752	1,050,133	6,432,885	9,246,104
Total current liabilities	9,816,755	8,034,408	17,851,163	20,538,730
Net pension liability	24,034,821	4,264,745	28,299,566	31,012,495
Net OPEB liability, net of current portion	12,955,590	3,296,225	16,251,815	16,503,704
Long-term liabilities, net of current portion	46,576,343	8,129,936	54,706,279	54,394,324
Total noncurrent liabilities	83,566,754	15,690,906	99,257,660	101,910,523
Total liabilities	93,383,509	23,725,314	117,108,823	122,449,253
Deferred Inflows of Resources				
Deferred inflows related to pensions	1,867,452	331,361	2,198,813	781,483
Deferred inflows related to OPEB	1,944,681	494,402	2,439,083	2,746,449
Deferred inflows related to leases	112,960	20,285	133,245	188,539
Deferred gain on refunding	109,877	-	109,877	117,356
Total deferred inflows of resources	4,034,970	846,048	4,881,018	3,833,827
Net Position				
Net investment in capital assets	113,395,513	63,228,162	176,623,675	161,698,110
Restricted for				
Debt service	1,281,445	-	1,281,445	1,212,345
Capital projects	-	-	-	165,926
Community development	8,357,319	-	8,357,319	8,253,656
Public safety	13,333,808	-	13,333,808	11,997,142
Municipal court	466,130	-	466,130	452,900
Parks	558,896	-	558,896	611,002
Traffic Safety	70,157	-	70,157	76,136
Tourism, convention center, arts	3,490,215	-	3,490,215	3,125,242
Urban transit	4,889,808	-	4,889,808	4,160,027
Other	258,950	-	258,950	236,775
Unrestricted	16,629,933	13,216,792	29,846,725	41,293,215
Total net position	162,732,174	76,444,954	239,177,128	233,282,476
Total liabilities, deferred inflows of resources and net position	\$ 260,150,653	\$ 101,016,316	\$ 361,166,969	\$ 359,565,556

City of Hurst, Texas
Statement of Activities
For the Year Ended September 30, 2025 with Summarized
Totals for September 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 6,283,914	\$ 699,219	\$ 1,201,523	\$ 9,426
Public safety	32,664,842	2,768,568	-	50,000
Culture and recreation	14,202,361	1,816,926	188,907	-
Public works	7,117,257	1,593,638	-	412,542
Interest expense	1,356,034	-	-	-
Total governmental activities	61,624,408	6,878,351	1,390,430	471,968
Business-type Activities				
Water and sewer services	25,070,882	23,868,652	-	843,291
Conference and meeting center	3,971,293	3,971,158	-	-
Stormwater services	1,405,798	1,274,746	-	76,750
Hurst Public Facility Corporation	40,676	-	-	-
Val Oaks	119,040	11,100	-	-
Total business-type activities	30,607,689	29,125,656	-	920,041
Total primary government	\$ 92,232,097	\$ 36,004,007	\$ 1,390,430	\$ 1,392,009
General Revenues				
Property taxes, penalty, and interest				
Sales taxes				
Franchise taxes				
Occupancy taxes				
Investment earnings				
Gain on sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Totals	
		2025	2024
\$ (4,373,746)	\$ -	\$ (4,373,746)	\$ (7,232,096)
(29,846,274)	-	(29,846,274)	(28,745,553)
(12,196,528)	-	(12,196,528)	(11,781,110)
(5,111,077)	-	(5,111,077)	(2,539,224)
(1,356,034)	-	(1,356,034)	(1,384,263)
(52,883,659)	-	(52,883,659)	(51,682,246)
-	(358,939)	(358,939)	1,551,284
-	(135)	(135)	(7,721)
-	(54,302)	(54,302)	646,140
-	(40,676)	(40,676)	(18,370)
-	(107,940)	(107,940)	(175,582)
-	(561,992)	(561,992)	1,995,751
(52,883,659)	(561,992)	(53,445,651)	(49,686,495)
23,832,089	-	23,832,089	23,090,993
24,881,102	-	24,881,102	24,289,712
2,636,333	-	2,636,333	2,653,614
722,876	-	722,876	858,190
3,930,133	1,109,714	5,039,847	6,474,029
-	-	-	412,562
1,370,281	857,775	2,228,056	1,627,442
(49,577)	49,577	-	-
57,323,237	2,017,066	59,340,303	59,406,542
4,439,578	1,455,074	5,894,652	9,720,047
158,292,596	74,989,880	233,282,476	223,562,429
\$ 162,732,174	\$ 76,444,954	\$ 239,177,128	\$ 233,282,476

City of Hurst, Texas
Balance Sheet
Governmental Funds
September 30, 2025 with Summarized
Totals for September 30, 2024

		Special Revenue Funds	
	General Fund	HCDC	Anti-Crime
Assets			
Cash and cash equivalents	\$ 3,650,571	\$ 2,522,916	\$ 5,075,467
Investments	15,623,826	4,705,918	5,704,943
Receivables, net			
Taxes	2,154,885	998,408	992,627
Lease	123,841	-	-
Court	2,446,616	-	-
Other	1,873,327	151,748	164,769
Prepays	20,880	-	-
Inventory	1,803	-	-
Due from other funds	2,653,707	-	-
Total assets	<u>\$ 28,549,456</u>	<u>\$ 8,378,990</u>	<u>\$ 11,937,806</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable and accrued items	\$ 2,191,776	\$ 45,313	\$ 96,653
Escrow deposits payable and unearned revenue	127,204	-	-
Due to other funds	-	-	-
Total liabilities	<u>2,318,980</u>	<u>45,313</u>	<u>96,653</u>
Deferred Inflows of Resources			
Lease related	112,960	-	-
Unavailable revenue	3,244,404	-	-
Total deferred inflows of resources	<u>3,357,364</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable			
Prepays	20,880	-	-
Inventory	1,803	-	-
Restricted	11,250,453	8,333,677	11,841,153
Assigned	23,167	-	-
Unassigned	11,576,809	-	-
Total fund balances	<u>22,873,112</u>	<u>8,333,677</u>	<u>11,841,153</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,549,456</u>	<u>\$ 8,378,990</u>	<u>\$ 11,937,806</u>

Capital Projects Funds		Nonmajor Governmental Funds		Totals	
Special Projects				2025	2024
\$ 6,424,973	\$ 4,520,156	\$ 22,194,083	\$ 17,839,591		
18,564,372	2,105,187	46,704,246	49,936,497		
-	25,586	4,171,506	4,137,321		
-	-	123,841	141,204		
-	-	2,446,616	2,574,569		
299,017	29,262	2,518,123	2,564,004		
-	-	20,880	20,880		
-	-	1,803	1,803		
-	-	2,653,707	1,577,414		
<u>\$ 25,288,362</u>	<u>\$ 6,680,191</u>	<u>\$ 80,834,805</u>	<u>\$ 78,793,283</u>		
\$ 169,561	\$ 38,783	\$ 2,542,086	\$ 3,977,452		
-	-	127,204	78,002		
229,563	2,425,144	2,654,707	1,541,713		
<u>399,124</u>	<u>2,463,927</u>	<u>5,323,997</u>	<u>5,597,167</u>		
-	-	112,960	129,666		
-	17,783	3,262,187	3,682,848		
-	17,783	3,375,147	3,812,514		
-	-	20,880	20,880		
-	-	1,803	1,803		
-	4,198,481	35,623,764	33,324,732		
24,889,238	-	24,912,405	25,321,991		
-	-	11,576,809	10,714,196		
<u>24,889,238</u>	<u>4,198,481</u>	<u>72,135,661</u>	<u>69,383,602</u>		
<u>\$ 25,288,362</u>	<u>\$ 6,680,191</u>	<u>\$ 80,834,805</u>	<u>\$ 78,793,283</u>		



City of Hurst, Texas
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
September 30, 2025

Total governmental fund balances	\$ 72,135,661
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital, lease, and subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds, excluding internal service funds capital, lease, and subscription assets.	149,299,155
Accrued interest on governmental activities debt is not reported in the funds until paid.	(171,802)
Certain revenue earned but unavailable and long-term receivables are deferred in the funds.	3,262,187
Internal service funds are used by management to charge the cost of certain activities, such as insurance, fleet management and information technology, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds that are attributable to governmental activities are included in the government-wide financial statements.	20,638,217
Other postemployment benefits and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore are not reported in the governmental funds financial statements, excluding internal service funds other postemployment benefits and related deferred outflows and inflows of resources.	(12,123,887)
Pension related liabilities and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore are not reported in the governmental funds financial statements, excluding pension related liabilities and related deferred outflows and inflows of resources.	(19,146,809)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds, excluding internal service funds compensated absences of \$125,122.	(6,180,043)
Tax notes, bonds payable, contractual obligations, lease, and subscription liabilities are not due and payable in the current period and therefore are not reported in the funds, excluding internal service funds long-term liabilities. Losses on issuance of refunding bonds are not reported in the funds but are reported as deferred outflows in the statement of net position.	(44,980,505)
Net position of governmental activities	<u>\$ 162,732,174</u>

City of Hurst, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2025 with Summarized
Totals for Year Ended September 30, 2024

		Special Revenue Funds	
	General	HCDC	Anti-Crime
Revenues			
Taxes, penalty and interest	\$ 36,374,344	\$ 6,252,746	\$ 6,212,531
Licenses/permits	3,673,610	-	-
Support from governmental entities	1,260,949	15,046	-
Charges for services	2,999,595	-	-
Fines and fees	526,940	-	-
Investment earnings	1,396,010	327,787	423,359
Miscellaneous	289,901	20,880	1,514
Total revenues	46,521,349	6,616,459	6,637,404
Expenditures			
Current			
General government	4,269,573	-	-
Public safety	23,901,822	-	5,059,291
Culture and recreation	7,045,981	4,287,484	-
Public works	3,986,666	-	-
Capital outlay	314,057	1,039,942	88,868
Debt service			
Principal retirement	221,855	-	37,382
Interest and fiscal charges	11,154	-	5,868
Total expenditures	39,751,108	5,327,426	5,191,409
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,770,241	1,289,033	1,445,995
Other Financing Sources (Uses)			
Issuance of debt	-	-	-
Premium on bond issuance	-	-	-
Leases issued	-	-	-
Subscriptions issued	-	-	85,618
Proceeds from sale of capital assets	1,428	-	-
Transfers in	762,289	40,899	51,899
Transfers out	(5,959,094)	(1,226,269)	-
Total other financing sources (uses)	(5,195,377)	(1,185,370)	137,517
Net Change in Fund Balances	1,574,864	103,663	1,583,512
Fund Balances, Beginning of Year	21,298,248	8,230,014	10,257,641
Fund Balances, End of Year	\$ 22,873,112	\$ 8,333,677	\$ 11,841,153

Capital Projects Funds		Totals	
Special Projects	Nonmajor Governmental Funds	2025	2024
\$ -	\$ 3,331,646	\$ 52,171,267	\$ 50,793,135
-	-	3,673,610	1,150,498
188,907	-	1,464,902	2,392,857
-	-	2,999,595	2,393,911
-	-	526,940	512,195
962,035	261,981	3,371,172	4,362,251
187,887	115,602	615,784	366,118
1,338,829	3,709,229	64,823,270	61,970,965
435,249	-	4,704,822	4,336,270
115,883	-	29,076,996	28,260,025
8,735	-	11,342,200	10,888,967
-	-	3,986,666	3,022,584
3,519,639	2,259,770	7,222,276	10,133,622
68,810	3,560,000	3,888,047	3,733,044
7,690	1,438,911	1,463,623	1,496,268
4,156,006	7,258,681	61,684,630	61,870,780
(2,817,177)	(3,549,452)	3,138,640	100,185
-	1,820,000	1,820,000	1,975,000
-	43,119	43,119	61,333
-	-	-	1,341,637
-	-	85,618	-
-	-	1,428	4,128
4,543,506	1,586,199	6,984,792	20,875,048
(2,136,175)	-	(9,321,538)	(28,985,290)
2,407,331	3,449,318	(386,581)	(4,728,144)
(409,846)	(100,134)	2,752,059	(4,627,959)
25,299,084	4,298,615	69,383,602	74,011,561
\$ 24,889,238	\$ 4,198,481	\$ 72,135,661	\$ 69,383,602



City of Hurst, Texas
Reconciliation of Changes in Fund Balances of Governmental
Funds to Change in Net Position in the Statement of Activities
For the Year Ended September 30, 2025

Net change in fund balances - total governmental funds	\$ 2,752,059
Amounts reported for governmental funds in the statement of activities are different because:	
Change in revenues not considered available in the governmental funds.	(420,661)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlays in the current year. This amount excludes \$1,205,834 of depreciation/amortization expense in the internal service funds.	
Capital outlay, including capital, lease and subscription expenditures	7,222,276
Depreciation/amortization	(8,074,250)
The net effect of various transactions involving capital assets (i.e. sales and contributions) is to increase or decrease net position.	(820,801)
Proceeds from debt and subscriptions issued, including premiums, are an other financing source in the funds, but a debt issuance increases long-term liabilities in the statement of net position.	(1,948,737)
Repayment of long-term debt, including bond refundings, leases, and subscriptions, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position, excluding internal service funds.	3,888,047
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.	202,025
Governmental funds report the effect of losses and gains on refundings when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.	(98,666)
Current year change in accrued interest payable requires the use of current financial resources; but it is not reported as an expense in the governmental-wide statement.	4,230
Current year pension expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures, and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows/inflows of resources balances, excluding internal service funds.	(1,875,579)
Current year OPEB expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures, and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows/inflows of resources balances, excluding internal service funds.	(151,977)
Current year changes in long-term liabilities for compensated absences do not require the use of current financial resources; therefore they are not reported as expenditures in governmental funds, excluding internal service funds.	2,512,465
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, and information technology to individual funds. The change in net position of the internal service funds is reported with governmental activities (net of amount allocated to business-type activities).	1,249,147
Change in net position of governmental activities	<u>\$ 4,439,578</u>

City of Hurst, Texas
Statement of Net Position
Proprietary Funds
September 30, 2025 with Summarized
Totals for September 30, 2024

	Business-type Activities				Totals	
	Water & Sewer	Conference & Meeting Center Fund	Stormwater Fund	Nonmajor Enterprise Funds	2025	2024
Assets						
Current assets						
Cash and cash equivalents	\$ 9,322,273	\$ 1,260,738	\$ 719,320	\$ 402,284	\$ 11,704,615	\$ 16,340,006
Investments	11,023,651	-	100,000	-	11,123,651	16,045,847
Accounts receivable, net	2,938,938	110,327	156,919	-	3,206,184	3,744,725
Lease receivable	-	-	-	23,995	23,995	67,660
Inventory of materials and supplies	235,245	34,542	-	-	269,787	230,261
Other receivables	389,854	-	3,703	245	393,802	364,470
Due from other funds	1,000	-	-	-	1,000	1,000
Prepays and other assets	19,200	67,432	-	-	86,632	45,762
Restricted assets						
Cash and cash equivalents	2,493,187	-	-	-	2,493,187	2,027,674
Investments	2,360,035	-	-	-	2,360,035	-
Total current assets	28,783,383	1,473,039	979,942	426,524	31,662,888	38,867,405
Noncurrent assets						
Capital assets	111,004,761	1,553,934	8,223,922	63,130	120,845,747	105,877,603
Accumulated depreciation/amortization	(48,420,127)	(477,144)	(2,026,031)	-	(50,923,302)	(48,758,892)
Total noncurrent assets	62,584,634	1,076,790	6,197,891	63,130	69,922,445	57,118,711
Total assets	91,368,017	2,549,829	7,177,833	489,654	101,585,333	95,986,116
Deferred Outflows of Resources						
Deferred pension outflows	802,031	224,482	68,289	-	1,094,802	1,633,028
Deferred OPEB outflows	575,829	133,634	51,427	-	760,890	915,007
Deferred loss on bond refunding	107,213	-	-	-	107,213	141,703
Total deferred outflows of resources	1,485,073	358,116	119,716	-	1,962,905	2,689,738
Total assets and deferred outflows of resources	92,853,090	2,907,945	7,297,549	489,654	103,548,238	98,675,854
Liabilities						
Current liabilities						
Accounts payable and accrued items	\$ 3,873,614	\$ 132,021	\$ 8,339	\$ 11,029	\$ 4,025,003	\$ 2,519,601
Due to other funds	-	-	-	-	-	36,701
Unearned revenue	-	683,170	-	-	683,170	679,654
Current liabilities payable from restricted assets						
Accrued bond interest	36,581	-	-	-	36,581	25,227
Customer deposits	2,063,706	-	-	2,330	2,066,036	2,092,732
Current portion of net OPEB liability	131,291	30,469	11,725	-	173,485	176,069
Current portion of long-term liabilities	1,008,848	34,596	6,689	-	1,050,133	1,214,179
Total current liabilities	7,114,040	880,256	26,753	13,359	8,034,408	6,744,163
Net pension liability	3,124,272	874,457	266,016	-	4,264,745	4,673,582
Net OPEB liability, net of current portion	2,494,528	578,913	222,784	-	3,296,225	3,345,301
Long-term liabilities, net of current portion	7,930,899	146,706	52,331	-	8,129,936	5,816,079
Total long-term liabilities	13,549,699	1,600,076	541,131	-	15,690,906	13,834,962
Total liabilities	20,663,739	2,480,332	567,884	13,359	23,725,314	20,579,125
Deferred Inflows of Resources						
Lease related	-	-	-	20,285	20,285	58,873
Deferred pension inflows	242,749	67,944	20,668	-	331,361	117,769
Deferred OPEB inflows	374,155	86,832	33,415	-	494,402	556,705
Total deferred inflows of resources	616,904	154,776	54,083	20,285	846,048	733,347
Net Position						
Net investment in capital assets	55,946,262	1,020,879	6,197,891	63,130	63,228,162	51,453,028
Unrestricted	15,626,185	(748,042)	477,691	392,880	15,748,714	25,910,354
Total net position	\$ 71,572,447	\$ 272,837	\$ 6,675,582	\$ 456,010	78,976,876	\$ 77,363,382
Adjustment to net position to reflect the consolidation of internal service fund activities related to enterprise funds					(2,531,922)	
Net position of business-type activities					<u>\$ 76,444,954</u>	

Governmental Activities- Internal Service Funds	
Totals	
2025	2024
\$ 8,470,346	\$ 7,973,827
7,280,902	7,016,290
-	-
-	-
78,808	72,751
266,316	467,404
-	-
165,000	165,000
-	-
-	-
16,261,372	15,695,272
17,575,960	15,979,234
(13,504,071)	(12,523,450)
4,071,889	3,455,784
20,333,261	19,151,056
183,073	273,076
112,989	135,874
-	-
296,062	408,950
20,629,323	19,560,006
\$ 900,747	\$ 875,309
-	-
-	-
-	-
-	-
25,762	26,145
109,835	114,369
1,036,344	1,015,823
713,149	781,514
489,473	496,761
155,236	147,977
1,357,858	1,426,252
2,394,202	2,442,075
-	-
55,410	19,694
73,416	82,669
128,826	102,363
3,841,756	3,262,833
14,264,539	13,752,735
\$ 18,106,295	\$ 17,015,568

City of Hurst, Texas
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2025 with Summarized
Totals for Year Ended September 30, 2024

	Business-type Activities				Totals	
	Water & Sewer	Conference & Meeting Center Fund	Stormwater Fund	Nonmajor Enterprise Funds	2025	2024
Operating Revenues						
Water and sewer services	\$ 23,804,148	\$ -	\$ -	\$ -	\$ 23,804,148	\$ 23,637,767
Storm drainage utility fee	-	-	1,274,746	-	1,274,746	1,105,097
Service/user fees	64,504	3,984,596	-	-	4,049,100	3,728,072
Rental and lease	14,245	-	-	331,029	345,274	-
Other	498,988	-	75	11,100	510,163	506,325
Total operating revenues	24,381,885	3,984,596	1,274,821	342,129	29,983,431	28,977,261
Operating Expenses						
Personnel services	5,736,990	2,024,117	572,714	-	8,333,821	7,458,277
Claims	-	-	-	-	-	-
Contractual services	10,326,831	-	-	-	10,326,831	10,045,634
Repairs and maintenance	674,625	268,759	179,766	46,201	1,169,351	897,376
Materials and supplies	131,407	77,726	5,037	6,171	220,341	205,725
Depreciation and amortization	1,784,670	79,517	300,223	-	2,164,410	2,320,607
Indirect cost/street rental fees	4,251,141	-	109,334	-	4,360,475	4,112,404
Miscellaneous	1,788,128	1,521,174	216,981	107,344	3,633,627	3,154,719
Total operating expenses	24,693,792	3,971,293	1,384,055	159,716	30,208,856	28,194,742
Operating Income (Loss)	(311,907)	13,303	(109,234)	182,413	(225,425)	782,519
Nonoperating Revenues (Expenses)						
Investment earnings	1,074,549	-	31,374	3,791	1,109,714	1,404,232
Interest expense	(240,413)	-	-	-	(240,413)	(182,532)
Gain (loss) on sale of property and equipment	-	-	-	-	-	412,562
Insurance recoveries, net	-	-	-	-	-	-
Total nonoperating revenues (expenses)	834,136	-	31,374	3,791	869,301	1,634,262
Income (Loss) Before Capital Contributions and Transfers	522,229	13,303	(77,860)	186,204	643,876	2,416,781
Transfers in	92,664	94,373	13,354	-	200,391	7,549,825
Transfers out	-	-	-	(150,814)	(150,814)	(266,338)
Capital Contributions	843,291	-	76,750	-	920,041	1,903,018
Change in Net Position	1,458,184	107,676	12,244	35,390	1,613,494	11,603,286
Net Position, Beginning of Year	70,114,263	165,161	6,663,338	420,620	77,363,382	65,760,096
Net Position, End of Year	<u>\$ 71,572,447</u>	<u>\$ 272,837</u>	<u>\$ 6,675,582</u>	<u>\$ 456,010</u>	<u>\$ 78,976,876</u>	<u>\$ 77,363,382</u>
Adjustment to change in net position to reflect the consolidation of internal service fund activities related to enterprise funds					(158,420)	
Change in Net Position of Business-type Activities					<u>\$ 1,455,074</u>	

Governmental Activities- Internal Service Funds	
2025	2024
\$ -	\$ -
-	-
13,625,654	13,031,595
-	-
522,045	277,618
14,147,699	13,309,213
3,427,215	3,040,516
8,457,455	7,766,854
352,192	368,825
1,286,016	901,395
1,168,417	961,569
1,205,834	1,117,995
-	245,000
260,692	245,160
16,157,821	14,647,314
(2,010,122)	(1,338,101)
558,961	707,546
-	-
22,267	(13,253)
232,452	-
813,680	694,293
(1,196,442)	(643,808)
2,287,169	826,755
-	-
-	-
1,090,727	182,947
17,015,568	16,832,621
<u>\$ 18,106,295</u>	<u>\$ 17,015,568</u>

City of Hurst, Texas
Proprietary Funds
Statement of Cash Flows
For the Year Ended September 30, 2025 with Summarized
Totals for Year Ended September 30, 2024

	Business-type Activities				Totals	
	Water & Sewer	Conference & Meeting Center Fund	Stormwater Fund	Nonmajor Enterprise Funds	2025	2024
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 24,970,057	\$ 4,149,125	\$ 1,248,521	\$ 323,984	\$ 30,691,687	\$ 28,864,971
Receipts from interfund services provided	-	-	-	-	-	-
Payments to suppliers	(13,267,464)	(1,816,291)	(430,962)	(148,687)	(15,663,404)	(14,117,802)
Payments on behalf of employees	(5,335,294)	(1,946,736)	(509,804)	-	(7,791,834)	(7,080,074)
Payments for interfund services used	(4,251,141)	-	(109,334)	-	(4,360,475)	(4,113,404)
Net cash provided by (used in) operating activities	2,116,158	386,098	198,421	175,297	2,875,974	3,553,691
Cash Flows from Noncapital Financing Activities						
Advances to other funds	-	-	-	(36,701)	(36,701)	-
Transfers to other funds	-	-	-	(150,814)	(150,814)	(266,338)
Transfers from other funds	92,664	94,373	13,354	-	200,391	588,510
Net cash provided by (used in) noncapital financing activities	92,664	94,373	13,354	(187,515)	12,876	322,172
Cash Flows from Capital and Related Financing Activities						
Insurance proceeds	-	-	-	-	-	-
Proceeds from long-term debt	2,813,843	-	-	-	2,813,843	2,036,333
Debt principal payments	(915,000)	-	-	-	(915,000)	(815,000)
Subscription liability payments	(31,533)	-	-	-	(31,533)	-
Interest paid on revenue bonds	(239,747)	-	-	-	(239,747)	(142,628)
Payment of debt issuance cost	-	-	-	-	-	(34,355)
Purchases of property and equipment	(11,168,047)	(734,424)	(398,205)	(63,130)	(12,363,806)	(5,529,896)
Transfer from other funds for capital purposes	-	-	-	-	-	6,961,315
Proceeds from sale of property and equipment	-	-	-	-	-	415,054
Net cash provided by (used in) capital and related financing activities	(9,540,484)	(734,424)	(398,205)	(63,130)	(10,736,243)	2,890,823
Cash Flows from Investing Activities						
Proceeds from sale/maturities of investments	11,745,028	-	304,898	-	12,049,926	23,349,562
Purchase of investments	(9,387,765)	-	(100,000)	-	(9,487,765)	(16,459,020)
Interest on investments, net	1,074,549	-	37,014	3,791	1,115,354	1,402,283
Net cash provided by investing activities	3,431,812	-	241,912	3,791	3,677,515	8,292,825
Net increase (decrease) in cash and cash equivalents	(3,899,850)	(253,953)	55,482	(71,557)	(4,169,878)	15,059,511
Cash and Cash Equivalents, Beginning of Year	15,715,310	1,514,691	663,838	473,841	18,367,680	3,308,169
Cash and Cash Equivalents, End of Year	<u>\$ 11,815,460</u>	<u>\$ 1,260,738</u>	<u>\$ 719,320</u>	<u>\$ 402,284</u>	<u>\$ 14,197,802</u>	<u>\$ 18,367,680</u>
Noncash Investing, Capital and Financing Activities						
Contributions of capital assets	\$ 843,291	\$ -	\$ 76,750	\$ -	\$ 920,041	\$ 1,903,018
Capital assets in accounts payable and change in retainage payable	2,889,731	55,911	-	-	2,945,642	1,379,905
Issuance of subscription	118,560	-	-	-	118,560	-
	3,851,582	55,911	76,750	-	3,984,243	3,282,923
Reconciliation to Statement of Net Position						
Cash and cash equivalents	9,322,273	1,260,738	719,320	402,284	11,704,615	16,340,006
Restricted cash and cash equivalents	2,493,187	-	-	-	2,493,187	2,027,674
	<u>\$ 11,815,460</u>	<u>\$ 1,260,738</u>	<u>\$ 719,320</u>	<u>\$ 402,284</u>	<u>\$ 14,197,802</u>	<u>\$ 18,367,680</u>

**Governmental Activities-
Internal Service Funds**

2025	2024
\$ 283,141	\$ 532,698
13,625,654	12,432,137
(2,019,089)	(10,539,659)
(12,884,659)	(2,710,416)
<u>-</u>	<u>-</u>
(994,953)	(285,240)
-	-
-	-
<u>2,287,169</u>	<u>826,755</u>
<u>2,287,169</u>	<u>826,755</u>
232,452	-
-	-
-	-
(91,424)	(100,845)
-	-
-	-
(1,693,333)	(1,374,542)
-	-
<u>22,267</u>	<u>25,108</u>
(1,530,038)	(1,450,279)
5,588,805	9,242,123
(5,853,417)	(6,391,552)
<u>998,953</u>	<u>630,862</u>
<u>734,341</u>	<u>3,481,433</u>
496,519	2,572,669
<u>7,973,827</u>	<u>5,401,158</u>
<u>\$ 8,470,346</u>	<u>\$ 7,973,827</u>
\$ -	\$ -
90,184	-
<u>38,422</u>	<u>38,422</u>
<u>128,606</u>	<u>38,422</u>
8,470,346	7,973,827
<u>-</u>	<u>-</u>
<u>\$ 8,470,346</u>	<u>\$ 7,973,827</u>

City of Hurst, Texas
Proprietary Funds
Statement of Cash Flows (Continued)
For the Year Ended September 30, 2025 with Summarized
Totals for Year Ended September 30, 2024

	Business-type Activities				Totals	
	Water & Sewer	Conference & Meeting Center Fund	Stormwater Fund	Non-major Enterprise Funds	2025	2024
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating income (loss)	\$ (311,907)	\$ 13,303	\$ (109,234)	\$ 182,413	\$ (225,425)	\$ 782,519
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	1,784,670	79,517	300,223	-	2,164,410	2,320,607
Change in assets and deferred outflows						
Accounts receivable	591,792	(61,923)	(26,300)	-	503,569	54,515
Lease receivable	2,387	-	-	41,278	43,665	136,670
Other	-	-	-	-	-	36,701
Inventory of materials and supplies	(38,664)	(862)	-	-	(39,526)	(10,544)
Prepays and other assets	-	(40,870)	-	-	(40,870)	(20,654)
Deferred pension outflows	585,796	163,958	49,878	-	799,632	1,023,926
Deferred OPEB outflows	116,632	27,069	10,416	-	154,117	9,265
Change in liabilities and deferred inflows						
Accounts payable and other	(306,854)	264,668	(29,178)	11,029	(60,335)	258,200
Customer deposits and unearned revenue	(3,620)	3,516	-	(23,076)	(23,180)	(184,512)
Compensated absences	118,947	51,368	38,804	-	209,119	94,586
Net pension liability	(299,507)	(83,829)	(25,501)	-	(408,837)	(869,852)
Net OPEB liability	(39,095)	(9,073)	(3,492)	-	(51,660)	233,147
Deferred inflows - lease related	(2,241)	-	-	(36,347)	(38,588)	(127,486)
Deferred pension inflows	(35,028)	(9,803)	(2,983)	-	(47,814)	(15,698)
Deferred OPEB inflows	(47,150)	(10,941)	(4,212)	-	(62,303)	(167,699)
Net cash provided by (used in) operating activities	<u>\$ 2,116,158</u>	<u>\$ 386,098</u>	<u>\$ 198,421</u>	<u>\$ 175,297</u>	<u>\$ 2,875,974</u>	<u>\$ 3,553,691</u>

Governmental Activities Internal Service Funds	
2025	2024
\$ (2,010,122)	\$ (1,338,101)
1,205,834	1,117,995
(238,904)	(344,378)
-	-
-	-
(6,057)	(1,740)
-	-
133,715	171,219
22,885	1,376
(64,746)	277,691
-	-
55,727	(30,940)
(68,365)	(145,457)
(7,671)	34,621
-	-
(7,996)	(2,625)
(9,253)	(24,901)
<u>\$ (994,953)</u>	<u>\$ (285,240)</u>

City of Hurst, Texas
Fiduciary Fund
Statement of Fiduciary Net Position
September 30, 2025 with Summarized
Totals for September 30, 2024

	OPEB Trust	
	December 31, 2024	December 31, 2023
Assets		
Investments		
Mutual funds - equity	\$ 8,197,895	\$ 7,401,247
Total assets	<u>\$ 8,197,895</u>	<u>\$ 7,401,247</u>
Net Position		
Restricted for other postemployment benefits	\$ 8,197,895	\$ 7,401,247
Total net position	<u>\$ 8,197,895</u>	<u>\$ 7,401,247</u>

City of Hurst, Texas
Fiduciary Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2025 with Summarized
Totals for Year Ended September 30, 2024

	OPEB Trust	
	December 31, 2024	December 31, 2023
Additions		
Contributions		
Employer	\$ 1,205,350	\$ 1,055,503
Investment income	796,648	1,002,664
Total additions	2,001,998	2,058,167
Deductions		
Benefit payments	1,187,655	1,038,662
Administrative expenses	17,695	16,841
Total deductions	1,205,350	1,055,503
Change in net position	796,648	1,002,664
Net Position, Beginning of Year	7,401,247	6,398,583
Net Position, Ending of Year	<u>\$ 8,197,895</u>	<u>\$ 7,401,247</u>



Note 1. Summary of Significant Accounting Policies

The City of Hurst, Texas (City) Home Rule Charter was adopted December 19, 1956, pursuant to Resolution No. 100, adopted November 13, 1956. The City operates under a Council-Manager form of government and provides the following services by its charter: public safety, public works, health, culture, recreation, community development, and water and sewer utilities.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues, expenditures, and expenses. Actual results could vary from the estimates that are used. Significant City policies are described below.

Reporting Entity

These financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, in substance, are part of the City's operations.

The Hurst Community Services Development Corporation (HCDC) was incorporated in 1993 under the provisions of the *Development Corporation Act of 1979*, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended. HCDC operates under a seven-member Board of Directors appointed by the City Council. The purpose of HCDC is to promote and finance projects required or suitable for athletic, entertainment, tourist, conventions, public parks, and related purposes. The Board of Directors of HCDC is substantially the same as the City Council and the City will ultimately bear the benefit or burden. HCDC has been incorporated into these basic financial statements as a blended component unit, reported as the HCDC Fund. Separate financial statements for HCDC are not prepared.

The Hurst Crime Control and Prevention District (HCCPD) was authorized by voter referendum on September 9, 1995, for five years under the provisions of the *Crime Control and Prevention District Act*, Article 2370c-4, Section 3.01, Vernon Civil Statutes, as amended. The district was renewed by voter referendum on August 12, 2000, for ten years and again on May 8, 2010, for twenty years. The HCCPD operates under a seven-member Board of Directors appointed by the City Council. The purpose of the HCCPD is to provide relief to the General Fund for expanded crime prevention and enforcement activities. The Board of Directors of the HCCPD is substantially the same as the City Council and the City will ultimately bear the benefit or burden. The HCCPD has been incorporated into these basic financial statements as a blended component unit, reported as the Anti-crime Fund. Separate financial statements for HCCPD are not prepared.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. These financial statements include the financial activities of the overall government except the fiduciary fund. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Certain eliminations have been made as prescribed by GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* (GASB 34) in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department, and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

Net position should be reported as restricted when constraints placed on asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes result from special revenue funds and the restrictions on their asset use. Separate financial statements are provided for governmental funds, proprietary funds, internal service funds, and fiduciary fund. Major individual governmental funds and the major enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Governmental Funds

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues susceptible to accrual as available if they are collected within 60 days after year-end.

Those revenues susceptible to accrual are property taxes, sales taxes, franchise taxes, fines, interest, and charges for services. Licenses and permits are considered to be measurable and available only when cash is received by the City. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

The major governmental funds are:

General Fund: The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to another fund are accounted for in this fund. General operating and capital expenditures not paid through other funds are paid from the General Fund.

HCDC Fund: To account for the sales and use tax levied by the City on behalf of HCDC.

Anti-crime Fund: To account for the sales and use tax levied by the City on behalf of HCCPD.

Special Projects Fund: To account for the purchase or construction of building improvements and office machinery and equipment. Financing is provided primarily by transfers from the General Fund.

Internal Service Funds

The internal service funds account for the financing of goods or services provided by one department to other departments of the City on a user charge basis.

Fleet Service Fund: To account for the acquisition and financing of replacement vehicles and the repair and maintenance of vehicles. Operations are financed by charges to the user departments based on vehicle usage.

The Loss Reserve Fund: To account for the City's partially self-insured health care program. The program is financed by charges to user departments based on the number of covered employees and dependents.

Information Services Fund: To account for the personnel and operating costs of information services and the replacement cost of all computer related equipment. Operations are financed by charges to user departments on a cost-reimbursement basis.

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Enterprise Fund, Conference and Meeting Center Fund, and Stormwater Fund are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital, lease, and subscription assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The major proprietary funds are:

Water and Sewer Enterprise Fund: To account for providing water and sewer to residential and commercial users and is accounted for using the accrual basis of accounting. This fund accounts for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation and amortization, are recorded in proprietary funds. Unbilled utility service receivables are recorded at each year-end.

Conference and Meeting Center Fund: To account for the operations of the City's conference and meeting center. Fees are charged for use of the center. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation and amortization, are recorded in proprietary funds.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Stormwater Fund: To account for revenues received from a fee charged for the development of the City's storm sewer drainage system. This fund is designated as a major fund.

Fiduciary Fund

The other postemployment benefit (OPEB) trust fund is used to report assets held for beneficiaries to fund future postemployment benefits other than pensions. The City utilizes a trust to hold required contributions for OPEBs. Plan trustees must act in accordance with the specific purposes and terms of the OPEB plan. The accompanying statement of fiduciary net position and statement of changes in fiduciary net position are presented as of and for the year ended December 31, 2024, the Plan's year-end, in accordance with GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB 74).

Cash and Cash Equivalents

For purposes of reporting cash flows, the City considers cash and investments with an initial maturity of less than three months as cash and cash equivalents.

Accounts Receivable

Accounts receivable consist primarily of amounts due from citizens for various services provided by the City as well as property taxes and sales taxes receivable. Management evaluates the adequacy of the allowance for doubtful accounts based on a review of the aging of accounts and other specific information known by management.

Investments

Certificates of deposit are stated at cost with interest accrued as earned for government-wide presentation. Investments in external investment pools are carried at either net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the City's fiscal year end. In instances where pools transact at amortized cost, no readily determinable fair value is deemed available. All other investments are stated at fair value at year-end.

The City pools cash and investment for all its funds, to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. The deposits and investments of the OPEB Trust Fund are held separately.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of consumable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. A corresponding portion of fund balance is shown as nonexpendable in governmental funds to indicate it is not available for other subsequent expenditures.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure such as roads, bridges, drainage systems, and lighting systems are reported at historical cost. Donated capital assets, donated works of art and similar items are reported at acquisition value on the date donated. The minimum capitalization threshold is any item with a total cost greater than \$5,000 and a life greater than one year.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Assets	
Buildings	10 – 40 Years
Furniture & Fixtures	4 – 10 Years
Improvements OTB	5 – 40 Years
Machinery & Equipment	2 – 30 Years
Streets	15 – 30 Years
Vehicles	2 – 15 Years
Water System	4 – 50 Years
Sewer System	5 – 50 Years
Stormwater System	4 – 40 Years

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Lease Receivable

The City is a lessor for various noncancellable leases of its water towers and building space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines: (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the lessee's rate, or the rate disclosed in the agreement. If the rate is not readily available, the City uses its incremental borrowing rate as the discount rate.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Compensated Absences

City employees are granted vacation leave in varying amounts depending on length of service. Sick leave is also granted to employees. The City's policy is that leave earned in the current period is used before leave earned in prior periods. In the event of termination, an employee will be paid for all unused vacation leave credit upon separation from employment with the City. Reimbursement is made for unused accumulated sick leave upon termination of employment for fire and police employees, as well as for general employees that meet the following criteria (1) must be retiring (have no intent or acceptance of other full-time employment), (2) must meet TMRS guidelines for retirement, (3) must have worked 10 or more years with the City prior to retirement or 25 years in total with the City and 8 consecutive years prior to retirement. All vacation pay is accrued as vested and included in accrued liabilities in the government-wide and proprietary fund financial statements. The City developed assumptions to estimate general employees more likely than not to retire with the City and accrued those balances in accrued liabilities in the government-wide and proprietary fund financial statements. Accrued vacation and sick pay that is expected to be liquidated within one year, is reported as a short-term liability. The remainder of the liability is reflected as long-term.

Lease Liability

The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life for lease term, whichever is shorter.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

City of Hurst, Texas
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September 30, 2025

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital, lease, and subscription assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Defined Benefit Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS' fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Information regarding the City's total pension liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68).

Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability.

Defined Benefit Other Postemployment Benefit Plan

The City has a single employer defined benefit other postemployment (benefit) OPEB plan (Plan). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability.

Interfund Transactions

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. There is no interest charged between funds for these advances.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable fund balance, is employed by the City. Encumbrances are reported as reservations of fund balances because they do not constitute expenditures or liabilities. The City allows encumbrances to lapse leaving no reservation of fund balance at September 30, 2025.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred loss on refunding – A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and recognized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and reported as a reduction in net pension liability or increase in net pension asset in the year subsequent to their deferral.
- OPEB benefit and premium payments after measurement date – These benefit payments are deferred and reported as a reduction in total OPEB liability in the year subsequent to their deferral.
- Experience difference – Pensions and OPEB –These amounts represent the differences between expected and actual pension and OPEB experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- Assumption changes – OPEB –These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- Investment difference – OPEB – These amounts represent the difference in projected and actual earnings on OPEB plan assets. These differences are deferred and amortized over a closed five-year period.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has the following items that qualify for reporting in this category:

- Deferred gain on refunding – A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and recognized over the shorter of the life of the refunded or refunding debt.
- Unavailable revenue – This amount represents uncollected property taxes, ambulance, and municipal court fees. This amount is deferred and recognized once payments are received in the following fiscal year. This deferred inflow is recorded only at the fund level.
- Experience difference – OPEB – These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- Assumption changes – Pension and OPEB –These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- Investment difference – Pensions – These amounts represent the difference in projected and actual earnings on pension plan assets. These differences are deferred and amortized over a closed five-year period.
- Leases – Represents the initial value of the lease receivable under GASB 87 systematically reduced and recognized as lease revenue over the term of the lease. This deferred inflow is recorded at both the fund level and government-wide financial statements.

Unearned Revenue

The funds report a liability, unearned revenue, in connection with resources that have been received, but not yet earned, which consists primarily of Conference & Meeting Center fees collected in advance for future meetings and events.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Minimum Fund Balance

City management must institute a plan to achieve and maintain an unassigned fund balance in the general fund equal to no less than 90 days of operating expenditures. The City considers a balance of less than 90 days of operating expenditures to be cause for concern, barring unusual or deliberate circumstances. If unassigned fund balance falls below the goal or has a deficiency, the City will enact its fiscal management plan. The fiscal management plan provides specific language to guide expenditure reduction and/or revenue enhancement actions.

Fund Balance Classifications and Uses

Fund balances are classified as nonspendable, restricted, committed, assigned or unassigned in governmental funds. Nonspendable fund balance cannot be spent, either because it is not in spendable form or because of legal or contractual requirements. Restricted fund balances have constraints for specific purposes which are externally imposed by providers, such as creditors, grantors, or other governments; or by enabling legislation of the City Council. Committed fund balances can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City management based on Council direction. Unassigned fund balances include residual positive fund balances within the General Fund that had not been classified within the other mentioned categories. Unassigned fund balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance) are available for specified expenditures, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unassigned fund balance. Further, when the components of unassigned fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

A description of the purposes of the restricted, committed, and assigned governmental fund balances at September 30, 2025 follows:

	General Fund	HCDC	Anti-Crime	Special Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable	\$ 22,683	\$ -	\$ -	\$ -	\$ -	\$ 22,683
Restricted for						
Capital projects	-	-	-	-	2,917,036	2,917,036
Community development	23,642	8,333,677	-	-	-	8,357,319
Public safety	1,492,655	-	11,841,153	-	-	13,333,808
Debt service	-	-	-	-	1,281,445	1,281,445
Municipal court	466,130	-	-	-	-	466,130
Parks	558,896	-	-	-	-	558,896
Traffic safety	70,157	-	-	-	-	70,157
Tourism, convention center, arts	3,490,215	-	-	-	-	3,490,215
Urban transit	4,889,808	-	-	-	-	4,889,808
Other	258,950	-	-	-	-	258,950
Assigned						
Capital and special projects	-	-	-	24,889,238	-	24,889,238
Other	23,167	-	-	-	-	23,167
Unassigned	11,576,809	-	-	-	-	11,576,809
Total fund balance	<u>\$ 22,873,112</u>	<u>\$ 8,333,677</u>	<u>\$ 11,841,153</u>	<u>\$ 24,889,238</u>	<u>\$ 4,198,481</u>	<u>\$ 72,135,661</u>

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital, lease, and subscription assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets, and adding back unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the City's management to make estimates and assumptions that affect reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results may differ from those estimates.

Prior-Year Comparative Information

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's basic financial statements for the year ended September 30, 2024.

Adoption of New Accounting Standards

The City adopted GASB Statement No. 101, *Compensated Absences* (GASB 101) for the year ended September 30, 2025. The new accounting guidance updates the recognition and measurement guidance for compensated absences under a unified model. Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements. The adoption of GASB 101 had no impact on the City's beginning of year net position.

The City adopted GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102) for the year ended September 30, 2025. The new accounting guidance requires governments to disclose information about certain concentrations or constraints that could affect services provided or the ability to meet obligations as they come due. The adoption of GASB 102 had no impact on the City's beginning of year net position.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Future Adoption of Accounting Principles

The GASB has issued the following potentially significant statements which the City has not yet adopted, and which require adoption subsequent to September 30, 2025. The City will evaluate the potential impact on the City's net position.

Statement No.	Title	Adoption Required
103	<i>Financial Reporting Model Improvements</i>	September 30, 2026
104	<i>Disclosure of Certain Capital Assets</i>	September 30, 2026
105	<i>Subsequent Events</i>	September 30, 2027

Note 2. Deposits and Investments

The City's deposit and investment policies are governed by State statutes and the adopted City Investment Policy. City policies governing bank deposits require depositories to be FDIC-insured institutions and depositories must fully collateralize all deposits in excess of FDIC insurance limits. At September 30, 2025, the City's deposits were entirely insured or collateralized with securities held by the pledging financial institution's trust department or agent in the City's name in the amount of \$10,994,500; as a result, the City's deposits were not exposed to custodial credit risk.

	<u>September 30, 2025</u>
Primary Government	
Cash and cash equivalents:	
Cash deposits	\$ 5,254,557
Investments Pools:	
TexSTAR	16,178,042
Texas CLASS	12,073,783
TexPool	11,355,849
Total investment pools	<u>39,607,674</u>
Total cash and cash equivalents	<u>44,862,231</u>
Investments:	
U.S Treasury Securities	26,065,622
U.S. Agency Securities	8,003,212
Certificates of deposit	33,400,000
Total investments	<u>67,468,834</u>
Total cash, cash equivalents and investments of the primary government	<u><u>\$ 112,331,065</u></u>
Fiduciary Fund	
OPEB Trust	<u>8,197,895</u>
Total cash, cash equivalents, and investments of the reporting entity	<u><u>\$ 120,528,960</u></u>

City of Hurst, Texas
Notes to Basic Financial Statements
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External Investment Pools: The City's pool investments as of September 30, 2025, were invested in TexPool, TexSTAR (Texas Short Term Asset Reserve program) and Texas CLASS.

Each pool's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the funds or who do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pools are to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. Pools offer same day access to investment funds.

Federated Investors is the full-service provider for the TexPool program. As the provider, the responsibilities include managing the assets, providing participant services, and arranging for all custody and other functions in support of the operations under a contract with the State Comptroller of Public Accounts. JPMorgan Investment Management (JPMIM) and Hilltop Securities, Inc. (HSAM) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors. JPMIM serves as an investment advisor to TexSTAR, while HSAM provides administrative participant support and marketing services.

TexSTAR, TexPool and Texas CLASS are not registered with the Securities and Exchange Commission (SEC) as investment companies. TexSTAR, TexPool and Texas CLASS are investment pools that have been organized in conformity with the Chapters 791, the *Interlocal Cooperation Act*, and 2256, the *Public Funds Investment Act*, of the Texas Government Code.

Investments in TexPool are carried at amortized cost, while TexSTAR and Texas CLASS are carried at net asset value.

Investments: The City's investments, excluding OPEB trust fund investments discussed on the following page, are registered or held by the City or its agent in the City's name at September 30, 2025, and are as follows:

	Value	Weighted Average (Years)
Certificates of deposit	\$ 33,400,000	1.21
Investment pools	39,607,674	3.94
U.S. Treasury Obligations	26,065,622	1.49
Federal Agency Securities	8,003,212	1.48
Portfolio weighted average maturity	<u>\$ 107,076,508</u>	<u>2.03</u>

Interest Rate Risk: In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk: Statutes authorize the City to invest in obligations of the United States of America, its agencies, and instrumentalities, in obligations of the State of Texas and related agencies, in obligations of states, agencies, counties, cities and other political subdivisions of any state rated "A" or above by Standard & Poor's or Moody's, repurchase agreements and designated investment pools. The City's investment in TexPool, Texas Class and TexSTAR are all rated AAA by Standard & Poor's.

Custodial Credit Risk: The City invests in certificates of deposit at a bank with initial maturities greater than three months. These certificates of deposit are collateralized by securities held in the City's name by pledging financial institutions.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

OPEB Trust Fund Investments: The City has contracted with Public Agency Retirement Services (PARS) for trust administration and Union Bank serves as the trustee for all investments of the OPEB Trust Fund. The OPEB Trust Fund investments are carried at fair value of \$8,197,895 as of December 31, 2024. The investment in master trust is classified in Level 3 of the fair value hierarchy using quoted market prices of the mutual funds owned by the trust, allocated among members. The Trust's funds are invested in equity mutual funds. The investment strategy of the OPEB Trust Fund is to provide current income with capital appreciation. The credit rating and weighted average maturity is not available for the pool. PARS provides its participants a range of investment strategies, and the City has selected the PARS Balanced Strategic Blend Portfolio. The goal of the Plan's investment program is to generate adequate long-term returns that, when combined with contributions, will result in sufficient assets to pay present and future obligations to the Plan. The Balanced Portfolio's goal is to provide growth of both principal and income. The OPEB Plan does not have a formal policy for custodial credit risk. As of December 31, 2024, all investments are registered in the name of the OPEB Plan's custodian established through a master trust custodial agreement.

Fair Value of Assets: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2025:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Investments by Fair Value Level				
U.S. Treasury Securities	\$ 26,065,622	\$ 26,065,622	\$ -	\$ -
U.S. Agency Securities	8,003,212	3,998,175	4,005,037	-
Investment in Master Trust	8,197,895	-	-	8,197,895
Total investments by fair value level	42,266,729	\$ 30,063,797	\$ 4,005,037	\$ 8,197,895
Investments measured at Net Asset Value - TexSTAR	16,178,042			
Investments measured at Net Asset Value - Texas CLASS	12,073,783			
Investments measured at Amortized Cost - TexPool	11,355,849			
Non-negotiable Certificates of Deposit - Amortized Cost	33,400,000			
Total investments	\$ 115,274,403			

City of Hurst, Texas
Notes to Basic Financial Statements
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Certain investments that are measured using the net asset value per share (or its equivalent) or amortized cost have not been classified in the fair value hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. Investment in Master Trust is classified as Level 3 as there is limited trade information. These securities are priced using the last trade price.

Note 3. Property Tax

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and certain personal property located in the City. The total assessed value upon which the fiscal 2025 levy is based is approximately \$5,195,162,000. Such assessed value is computed based on 100% appraised values.

General property taxes are limited by the Texas Constitution to \$2.50 per \$100 of assessed valuation and by the City's Home Rule Charter to \$1.50 per \$100 of assessed valuation. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2025, is \$0.591234 per \$100 of assessed valuation.

Property taxes attach as an enforceable lien on property as of January 1 following the levy date. Taxes are due by January 31 following the levy date. Current tax collections for the year ended September 30, 2025, are approximately 99% of the tax levy.

Note 4. Net Receivables

Net receivables consist of the following at September 30, 2025:

	<u>2025</u>
Governmental Activities	
Taxes receivable	\$ 4,171,506
Charges to users	3,485,802
Interest	913,964
Other	<u>831,289</u>
Total governmental activities net receivables	<u>9,402,561</u>
Business-type Activities	
Charges to users	3,057,792
Interest	376,229
Other	<u>165,965</u>
Total business-type activities net receivables	<u>3,599,986</u>
Total net receivables	<u><u>\$ 13,002,547</u></u>

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

The applicable allowance for doubtful accounts at September 30, 2025, included in the net receivables above is as follows:

\$427,118 for taxes receivable in the general fund and \$2,688,704 for charges to users receivables in the general fund, which consists of court and ambulance billing, \$69,090 for taxes receivable in the debt service fund, and \$6,941 for charges to users in the water and sewer fund.

Note 5. Lease Receivable

The City leases a portion of its property to various companies who use the space to conduct their operations, the terms of which expire 2026 through 2044. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

The City recognized \$55,293 in lease revenue and \$7,594 in interest revenue during the current fiscal year related to leases. As of September 30, 2025, the City's receivable for lease payments was \$123,841 for governmental activities and \$23,995 for business-type activities. Also, the City has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease term. As of September 30, 2025, the balance of the deferred inflow of resources was \$112,960 for governmental activities and \$20,285 for business-type activities.

The following is a schedule by year of minimum payments to be received under the City's leases that are included in the measurement of the lease receivable as of September 30, 2025:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 14,292	\$ 5,149	\$ 19,441
2027	4,155	4,829	8,984
2028	4,346	4,638	8,984
2029	4,546	4,437	8,983
2030	4,755	4,228	8,983
2031-2035	27,258	17,640	44,898
2036-2040	34,121	10,751	44,872
2041-2044	30,368	2,517	32,885
Total	<u>\$ 123,841</u>	<u>\$ 54,189</u>	<u>\$ 178,030</u>

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2026	\$ 20,489	\$ 584	\$ 21,073
2027	3,506	7	3,513
Total	<u>\$ 23,995</u>	<u>\$ 591</u>	<u>\$ 24,586</u>

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Note 6. Capital, Lease, and Subscription Assets

A summary of changes in governmental activities capital, lease, and subscription assets is as follows:

	Balance October 1, 2024	Additions	Disposals	Transfers	Balance September 30, 2025
Capital Assets Not Being Depreciated					
Land	\$ 64,229,637	\$ 598,209	\$ -	\$ 929,869	\$ 65,757,715
Construction in progress	12,339,899	6,607,897	-	(9,208,707)	9,739,089
Total capital assets not being depreciated	76,569,536	7,206,106	-	(8,278,838)	75,496,804
Capital, Lease, and Subscription Assets Being Depreciated/Amortized					
Buildings and improvements	104,651,964	248,425	(1,353,668)	406,045	103,952,766
Improvements other than buildings	168,595,844	398,063	-	4,676,025	173,669,932
Machinery and equipment	36,019,982	1,428,600	(180,192)	3,196,768	40,465,158
Lease equipment	1,698,857	-	-	-	1,698,857
Subscription assets	2,343,486	160,519	(45,023)	-	2,458,982
Total depreciable	313,310,133	2,235,607	(1,578,883)	8,278,838	322,245,695
Less Accumulated Depreciation/Amortization for					
Buildings and improvements	(58,923,733)	(3,280,537)	135,367	-	(62,068,903)
Improvements other than buildings	(144,147,205)	(3,592,563)	-	-	(147,739,768)
Machinery and equipment	(31,234,809)	(1,665,354)	180,192	-	(32,719,971)
Lease equipment	(96,905)	(186,635)	-	-	(283,540)
Subscription assets	(1,049,301)	(554,995)	45,023	-	(1,559,273)
Total accumulated depreciation/amortization	(235,451,953)	(9,280,084)	360,582	-	(244,371,455)
Total depreciable - net	77,858,180	(7,044,477)	(1,218,301)	8,278,838	77,874,240
Governmental activities capital, lease, and subscription assets, net	\$ 154,427,716	\$ 161,629	\$ (1,218,301)	\$ -	\$ 153,371,044

Depreciation/amortization is charged to functions as follows:

	2025
Governmental Activities	
General government	\$ 1,609,461
Public safety	2,049,337
Culture and recreation	2,479,467
Public works	1,935,985
Fleet	662,230
Information services	543,604
Total governmental activities depreciation and amortization expense	\$ 9,280,084

Depreciation/amortization on capital, lease, and subscription assets held by the City's Internal Service Funds, which are predominantly related to governmental activities, is charged to various functions based on their usage of the assets and included in the amounts above.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Construction in progress consists of the following at September 30, 2025:

	Project Authorization	Expended Through September 30, 2025	Committed September 30, 2025
Community Services Improvements	\$ 375,510	\$ 237,607	\$ 137,903
Street Improvements	7,143,049	6,940,653	202,396
Other	4,795,245	2,560,828	2,234,417
Total	\$ 12,313,804	\$ 9,739,089	\$ 2,574,716

The “project authorization” and “committed” amounts above are based on City estimates of total project costs.

A summary of changes in business-type capital and subscription assets follows:

	Balance October 1, 2024	Additions	Disposals	Transfers	Balance September 30, 2025
Capital Assets Not Being Depreciated					
Land	\$ 564,612	\$ -	\$ -	\$ -	\$ 564,612
Construction in progress	6,061,998	13,907,773	-	(3,397,785)	16,571,986
	<u>6,626,610</u>	<u>13,907,773</u>	<u>-</u>	<u>(3,397,785)</u>	<u>17,136,598</u>
Capital Assets Being Depreciated					
Utility plant in service	94,023,210	923,543	-	3,261,173	98,207,926
Buildings and improvements	1,228,097	9,452	-	-	1,237,549
Machinery and equipment	3,999,686	8,816	-	136,612	4,145,114
Subscription assets	-	118,560	-	-	118,560
	<u>99,250,993</u>	<u>1,060,371</u>	<u>-</u>	<u>3,397,785</u>	<u>103,709,149</u>
Less Accumulated Depreciation for					
Utility plant in service	(44,893,046)	(1,880,946)	-	-	(46,773,992)
Buildings and improvements	(742,500)	(38,946)	-	-	(781,446)
Machinery and equipment	(3,123,346)	(239,578)	-	-	(3,362,924)
Subscription assets	-	(4,940)	-	-	(4,940)
	<u>(48,758,892)</u>	<u>(2,164,410)</u>	<u>-</u>	<u>-</u>	<u>(50,923,302)</u>
Total depreciable and amortizable - net	<u>50,492,101</u>	<u>(1,104,039)</u>	<u>-</u>	<u>3,397,785</u>	<u>52,785,847</u>
Business-type activities capital and subscription assets, net	<u>\$ 57,118,711</u>	<u>\$ 12,803,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,922,445</u>

Construction in progress consists of the following at September 30, 2025:

	Project Authorization	Expended Through September 30, 2025	Committed September 30, 2025
Water	\$ 19,669,484	\$ 16,038,967	\$ 3,630,517
Sewer	500,000	37,569	462,431
Other	473,837	495,450	(21,614)
Total	\$ 20,643,320	\$ 16,571,986	\$ 4,071,334

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Note 7. Long-term Liabilities

The following is a summary of changes in long-term liabilities of the City for the years ended September 30, 2025:

	Balance October 1, 2024	Additions	Reductions	Balance September 30, 2025	Current Portion
Governmental Activities					
Bonds payable and premiums					
General obligation bonds	\$ 28,870,000	\$ -	\$ (2,545,000)	\$ 26,325,000	\$ 2,245,000
Certificates of obligation	14,675,000	1,820,000	(930,000)	15,565,000	1,260,000
Loan from Direct Borrowing	255,000	-	(85,000)	170,000	85,000
Premium	2,016,977	43,119	(202,025)	1,858,071	211,246
Lease liabilities	1,441,638	-	(152,777)	1,288,861	160,594
Subscription liabilities	589,652	124,040	(266,694)	446,998	249,273
Total long-term debt	47,848,267	1,987,159	(4,181,496)	45,653,930	4,211,113
Compensated absences	8,761,903	-	(2,456,738)	6,305,165	1,171,639
Governmental Activities Long-term liabilities	<u>\$ 56,610,170</u>	<u>\$ 1,987,159</u>	<u>\$ (6,638,234)</u>	<u>\$ 51,959,095</u>	<u>\$ 5,382,752</u>
Business-type Activities					
Bonds payable and premiums					
General obligation bonds	\$ 2,515,000	\$ -	\$ (735,000)	\$ 1,780,000	\$ 450,000
Certificates of obligation	3,670,000	2,750,000	(180,000)	6,240,000	365,000
Premium	270,155	63,843	(45,178)	288,820	45,014
Subscription liabilities	-	118,560	(31,533)	87,027	27,574
Total bonds payable	6,455,155	2,932,403	(991,711)	8,395,847	887,588
Compensated absences	575,103	209,119	-	784,222	162,545
Business-type Activities Long-term liabilities	<u>\$ 7,030,258</u>	<u>\$ 3,141,522</u>	<u>\$ (991,711)</u>	<u>\$ 9,180,069</u>	<u>\$ 1,050,133</u>

Changes in compensated absences balances are reflected net.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Governmental Activities

	<u>Outstanding</u>	<u>Due Next Year</u>
Certificates of Obligation		
\$7,355,000 Series 2014 Certificates of Obligation due in annual installments of \$265,000 to \$495,000 through August 2034, plus interest at 3.00% to 3.75%	\$ 3,875,000	\$ 375,000
\$3,750,000 Series 2015 Certificates of Obligation due in annual installments of \$95,000 to \$185,000 through August 2035, plus interest at 2.00% to 4.00%	1,550,000	130,000
\$4,905,000 Series 2016 Certificates of Obligation due in annual installments of \$175,000 to \$345,000 through August 2036, plus interest at 2.00% to 4.00%	3,140,000	235,000
\$1,950,000 Series 2019 Certificates of Obligation due in annual installments of \$70,000 to \$125,000 through August 2038, plus interest at 3.00%	1,485,000	325,000
\$1,975,000 Series 2022 Certificates of Obligation due in annual installments of \$60,000 to \$100,000 through August 2033, plus interest at 4.00% to 5.00%	1,780,000	70,000
\$1,975,000 Series 2024 Certificates of Obligation due in annual installments of \$60,000 to \$140,000 through August 2044, plus interest at 4.00% to 5.00%	1,915,000	65,000
\$1,820,000 Series 2025 Certificates of Obligation due in annual installments of \$60,000 to \$140,000 through August 2045, plus interest at 3.85% to 5.00%	<u>1,820,000</u>	<u>60,000</u>
Total certificates of obligation	<u>\$ 15,565,000</u>	<u>\$ 1,260,000</u>

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

	<u>Outstanding</u>	<u>Due Next Year</u>
General Obligation Bonds		
\$5,705,000 Series 2013 General Obligation Refunding Bonds due in annual installments of \$290,000 to \$585,000 through August 2026, interest at 2.00% to 3.50%	\$ 460,000	\$ 460,000
\$4,915,000 Series 2015 General Obligation Refunding Bonds due in annual installments of \$10,000 to \$370,000 through August 2027, interest at 2.00% to 4.00%	735,000	365,000
\$1,345,000 Series 2016 General Obligation Refunding Bonds due in annual installments of \$5,000 to \$160,000 through September 2028, interest at 2.00% to 4.00%	460,000	150,000
\$4,945,000 Series 2016 General Obligation Refunding Bonds due in annual installments of \$15,000 to \$340,000 through September 2038, interest at 2.00% to 4.00%	3,585,000	220,000
\$4,950,000 Series 2016 General Obligation Refunding Bonds due in annual installments of \$15,000 to \$340,000 through September 2038, interest at 2.00% to 4.00%	3,585,000	220,000
\$1,500,000 Series 2017 General Obligation Refunding Bonds due in annual installments of \$15,000 to \$190,000 through August 2029, interest at 2.190%	635,000	175,000
\$7,225,000 Series 2019 General Obligation Bonds due in annual installments of \$250,000 to \$470,000 through August 2039, interest at 2.5% to 4.5%	5,550,000	85,000
\$13,350,000 Series 2021 General Obligation Bonds due in annual installments of \$130,000 to \$800,000 through September 2042, interest at .22% to 2.83%	<u>11,315,000</u>	<u>570,000</u>
Total general obligation bonds	<u>\$ 26,325,000</u>	<u>\$ 2,245,000</u>

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Business-type Activities

	<u>Outstanding</u>	<u>Due Next Year</u>
Certificates of Obligation		
\$3,750,000 Series 2015 Certificates of Obligation due in annual installments of \$40,000 to \$80,000 through August 2035, plus interest at 2.00% to 4.00%	\$ 665,000	\$ 150,000
\$1,360,000 Series 2018 Certificates of Obligation due in annual installments of \$60,000 to \$75,000 through August 2038, plus interest at 0.13% to 1.53%	910,000	65,000
\$1,975,000 Series 2024 Certificates of Obligation due in annual installments of \$60,000 to \$140,000 through August 2044, plus interest at 4.00% to 5.00%	1,915,000	65,000
\$2,750,000 Series 2025 Certificates of Obligation due in annual installments of \$85,000 to \$195,000 through August 2045, plus interest at 3.85% to 5.00%	<u>2,750,000</u>	<u>85,000</u>
Total certificates of obligation	<u>\$ 6,240,000</u>	<u>\$ 365,000</u>
General Obligation Refunding Bonds		
\$4,915,000 Series 2015 General Obligation Refunding Bonds due in annual installments of \$5,000 to \$160,000 through August 2027, interest at 2.00% to 4.00%	310,000	55,000
\$1,070,000 Series 2016 General Obligation Refunding Bonds due in annual installments of \$90,000 to \$125,000 through September 2028, interest at 2.00% to 4.00%	360,000	115,000
\$2,350,000 Series 2017 General Obligation Refunding Bonds due in annual installments of \$25,000 to \$285,000 through August 2029, interest of 2.190%	<u>1,110,000</u>	<u>280,000</u>
Total general obligation bonds	<u>\$ 1,780,000</u>	<u>\$ 450,000</u>

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Certain bond issues contain a provision that allows the City to prepay or call the bonds at no premium.

The annual requirements including interest to amortize all long-term debt outstanding at September 30, 2025, are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 3,590,000	\$ 1,374,414	\$ 815,000	\$ 292,647
2027	3,220,000	1,265,416	845,000	268,836
2028	2,790,000	1,160,239	680,000	240,607
2029	2,725,000	1,068,215	570,000	218,618
2030	2,670,000	982,653	320,000	200,974
2031-2035	14,200,000	3,533,762	1,780,000	803,937
2036-2040	9,875,000	1,356,371	1,550,000	476,845
2041-2045	2,990,000	217,252	1,460,000	176,400
Total	<u>\$ 42,060,000</u>	<u>\$ 10,958,322</u>	<u>\$ 8,020,000</u>	<u>\$ 2,678,864</u>

Loan from Direct Borrowing

During 2020, the City entered into a loan agreement with First National Bank of Texas for \$575,000, Series 2020 Public Property Finance Contractual Obligation. The loan is due in annual installments of \$75,000 to \$90,000 through 2027, plus interest of 2.75%. Balance due as of September 30, 2025 is \$170,000.

Lease Liability

The City leases equipment to conduct its operations, the terms of which expires 2027 and 2033. The measurement of the lease payables is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

As of September 30, 2025, the value of the lease liabilities was \$1,288,861. An incremental borrowing rate of 5 percent was used to measure the lease liabilities. The value of the right-to-use assets as of September 30, 2025 was \$1,698,857 and had accumulated amortization of \$283,540.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

The future principal and interest payments for lease liabilities as of September 30, 2025, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total Requirements
2026	\$ 160,594	\$ 62,929	\$ 223,523
2027	168,810	54,558	223,368
2028	140,645	47,322	187,967
2029	147,841	40,036	187,877
2030	155,405	32,378	187,783
2031 - 2033	515,566	47,160	562,726
Total	<u>\$ 1,288,861</u>	<u>\$ 284,384</u>	<u>\$ 1,573,245</u>

Subscription Liability

The City has subscription IT arrangements to conduct its operations, the terms of which expire 2026 through 2029. The measurement of the subscription liabilities is based on the present value of subscription payments expected to be paid during the subscription term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any subscription incentives payable.

At September 30, 2025, the value of the subscription liabilities was \$446,998 and \$87,027 for governmental and business-type activities, respectively. An incremental borrowing rate of 5 percent was used to measure subscription liabilities. The value of the right-to-use subscription assets as of September 30, 2025, was \$2,458,982 and \$118,560 for governmental and business-type activities, respectively, and had accumulated amortization of \$1,559,273 and \$4,940 for governmental and business-type activities, respectively.

The future principal and interest payments for subscription liabilities as of September 30, 2025, are as follows:

Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2026	\$ 249,273	\$ 14,834	\$ 264,107	\$ 27,574	\$ 4,452	\$ 32,026
2027	170,046	2,592	172,638	28,985	3,042	32,027
2028	19,589	819	20,408	30,468	1,559	32,027
2029	8,090	210	8,300	-	-	-
Total	<u>\$ 446,998</u>	<u>\$ 18,455</u>	<u>\$ 465,453</u>	<u>\$ 87,027</u>	<u>\$ 9,053</u>	<u>\$ 96,080</u>

Note 8. Defined Benefit Pension Plan

Plan Description: The City participates as one of over 900 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the *TMRS Act*, Subtitle G, Title 8, Texas Government Code (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided: TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the Member's benefit is calculated as if the sum of the Member's contributions, with interest, and the City-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

A summary of plan provisions for the City are as follows:

Employee deposit rate:	7%
Matching ratio (City to Employee):	2 to 1
Years required for vesting	5 years
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated service credit	100% repeating
Annuity increase to retirees*	30% of CPI-U

*TMRS allows cities to calculate Cost of Living Adjustments (COLAs) for retirees on an annual or ad hoc basis. The City has opted for the ad hoc basis calculation.

At the December 31, 2024, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	358
Inactive employees entitled to but not yet receiving benefits	258
Active employees	351
	967

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Contributions: Member contribution rates in TMRS are either 5%, 6%, or 7% of the Member's total compensation, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City of Hurst were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City of Hurst were 14.66% and 13.75% in calendar years 2025 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were \$4,479,609 and were equal to the required contributions.

Net Pension Liability: The City's net pension liability (NPL) was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Inflation	2.50%
Overall payroll growth	2.75% per year, adjusted down for population declines, if any

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

City of Hurst, Texas
Notes to Basic Financial Statements
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The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of the expected return for each major asset class in fiscal year 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global equity	35.00%	7.10%
Core fixed income	6.00%	5.00%
Non-core fixed income	6.00%	6.80%
Hedge funds	5.00%	6.40%
Private equity	13.00%	8.50%
Private debt	13.00%	8.20%
Real estate	12.00%	6.70%
Infrastructure	6.00%	6.00%
Other private markets	4.00%	7.30%
Total	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Changes in the Net Pension Liability	Total Pension Liability (a)	Plan Fiduciary Assets (b)	Net Pension Liability (a) - (b)
Balance at October 1, 2024	\$ 213,929,552	\$ 182,917,057	\$ 31,012,495
Changes for the year			
Service cost	5,041,354	-	5,041,354
Interest	14,188,003	-	14,188,003
Difference between expected and actual experience	3,267,431	-	3,267,431
Contributions – employer	-	4,222,313	(4,222,313)
Contributions – employee	-	2,165,880	(2,165,880)
Net investment income	-	18,946,266	(18,946,266)
Benefit payments, including refunds of employee contributions	(12,515,171)	(12,515,171)	-
Administrative expense	-	(121,892)	121,892
Other changes	-	(2,850)	2,850
Net changes	9,981,617	12,694,546	(2,712,929)
Balance at September 30, 2025	\$ 223,911,169	\$ 195,611,603	\$ 28,299,566

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 56,971,416	\$ 28,299,566	\$ 4,495,801

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended September 30, 2025, the City recognized pension expense of \$6,814,559.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,011,352	\$ -
Changes in assumptions	-	464,200
Net difference between projected and actual earnings on pension plan investments	-	1,734,613
Contributions subsequent to the measurement date	<u>3,253,428</u>	<u>-</u>
Total	<u>\$ 7,264,780</u>	<u>\$ 2,198,813</u>

\$3,253,428 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	Net Deferred Outflows/ (Inflows) of Resources
2026	\$ 2,152,104
2027	3,480,765
2028	(2,500,457)
2029	<u>(1,319,873)</u>
Total	<u>\$ 1,812,539</u>

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Note 9. Interfund Balances

Interfund Due To/Due From balances are primarily related to balances of working capital loans made between the funds listed below, which are expected to be collected in the subsequent year. At September 30, 2025, the respective interfund balances are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 2,653,707	\$ -
Special Projects Capital Projects Fund	-	229,563
Nonmajor Governmental funds	-	2,425,144
Water and Sewer Fund	<u>1,000</u>	<u>-</u>
	<u>\$ 2,654,707</u>	<u>\$ 2,654,707</u>

A summary of interfund transfers for the year ended September 30, 2025, follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 762,289	\$ 5,959,094
HCDC Special Revenue Fund	40,899	1,226,269
Anti-Crime Special Revenue Fund	51,899	-
Special Projects Capital Projects Fund	4,543,506	2,136,175
Nonmajor governmental funds	1,586,199	-
Water and Sewer Fund	92,664	-
Conference and Meeting Center Fund	94,373	-
Stormwater Fund	13,354	-
Nonmajor enterprise funds	-	150,814
Internal service funds	<u>2,287,169</u>	<u>-</u>
	<u>\$ 9,472,352</u>	<u>\$ 9,472,352</u>

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them and (2) use unrestricted revenues in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

For the year ended September 30, 2025, the City made the following one-time transfers:

The General Fund transferred \$4,442,692 to the Special Projects Fund to cover future pay-go projects, and \$1,124,472 to the Loss Reserve Fund to cover health care cost. This transfer is done at year-end and only includes reserves in excess of 90 days of operation. The General Fund also transferred \$32,000 to the HCDC Fund for Recreation Center HVAC units.

To cover annual debt service expenditures, the HCDC Special Revenue Fund transferred \$1,226,269 to the HCDC Debt Service Fund (Nonmajor Governmental fund) and the General Fund transferred \$359,930 to the Hotel Motel Debt Service Fund (Nonmajor Governmental fund).

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

The Special Projects Fund transferred \$215,000 to the Fleet Services Fund for the purchase of equipment for a new fire engine, and transferred \$927,666 to the Information Services Fund for the purchase of network switches and data back-up services. The Special Projects Fund also transferred \$993,509 to multiple funds to cover the cost of the one-time lump sum payroll.

The Hurst Public Facility Corporation Fund (Nonmajor enterprise fund) transferred \$100,814 to the Special Projects Fund to assist with demoing recently acquired properties for redevelopment.

The Val Oaks Fund (Nonmajor enterprise fund) transferred \$50,000 to the Brookside Fund to assist with maintenance expenditures for recently acquired property on W. Pipeline Road.

Note 10. Indirect Cost/Street Rental Fees

The General Fund provides certain general and administrative services and use of the City's streets to the proprietary fund types. Charges for such services totaled \$5,791,263 in 2025 and are reflected as reductions of expenditures in the General Fund and as expenses in the proprietary fund types.

Note 11. Contingent Liabilities

Grant Programs

The City participates in a number of state and federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Litigation

The City is party to several legal actions arising in the ordinary course of business. In the opinion of the City's legal counsel and management, the City has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe that they will materially affect the City's operations or financial position. The amount of ultimate loss, if any, could differ materially.

Note 12. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To transfer some of the financial risk that would occur from these exposures, the City carries general, law enforcement, errors and omissions, automobile liability, and worker's compensation insurance. The City also carries real and personal, flood and earthquake, boiler and machinery, and mobile equipment property insurance. Coverage amounts and deductibles vary. Property losses are insured on an "all-risk" basis with a basic \$10,000 deductible. The City also purchased fidelity bonds and insurance to protect the City from employee dishonesty and theft by others. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

The City established a Loss Reserve Fund (an internal service fund) to account for and finance its uninsured risks of loss for the City's largest uninsured category, employee health care benefits. Under this program, the fund pays for medical claims and administrative costs to the health care provider. The administrative costs include an annual amount for coverage of claims exceeding \$150,000 per covered person, a cost for potential claims after an attachment point of approximately \$5,400,000 per year and costs of administering the program, about \$1,500 per employee. During the course of the program, the attachment point for aggregate claims has never been reached.

All operating funds of the City make payments to the Loss Reserve Fund based on estimates of the amounts needed to pay prior and current year claims and to adjust a reserve for catastrophic losses. A consulting firm provides an analysis.

Accrued claims payable, including claims that are incurred but not reported, are recorded as fund accounts payable liabilities. The provision for claims is determined by estimating the amount which will ultimately be paid based on the City's experience.

Changes in the Funds' claims liability amount and administrative service amounts in fiscal years 2025 and 2024 are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates		Claims Payments	End of Fiscal Year Liability
Loss Reserve Fund					
2023-2024	\$ 338,534	\$ 9,821,986	Claims	\$ 7,766,854	\$ 439,255
			ASO	\$ 1,954,411	
2024-2025	\$ 439,255	\$ 8,615,069	Claims	\$ 8,457,455	\$ 596,869
			ASO	\$ 2,148,388	
General Fund – General Liability					
2023-2024	\$ 100,000	\$ -		\$ -	\$ 100,000
2024-2025	\$ 100,000	\$ -		\$ -	\$ 100,000

Note 13. Other Postemployment Benefit (OPEB) Plan

Plan Description

The City offers retired employees and their dependents the option to retain health and dental insurance coverage under the City's plan through a single employer defined benefit OPEB plan administered by the City of Hurst Post-Retirement Health Care Plan Trust. Public Agency Retirement Services (PARS) is the Trust Administrator. The governing body of the Trust is composed of a coalition of member public agencies. Each member public agency appoints its individual plan administrator to serve as a member of the governing body. Certain provisions of the Trust may be changed by a two-thirds vote of the members of the governing body.

The plan does not issue a stand-alone financial report. For inquiries relating to the plan, please contact: The City Finance Office at 1505 Precinct Line Road, Hurst, Texas, 76054. A more detailed description of the plan is as follows:

Eligibility

The benefit is available to retirees and their spouses.

An employee must resign and satisfy the requirements for service retirement under the TMRS with at least 10 years of consecutive full-time service with the City immediately prior to retirement or, effective April 1, 2002, have a minimum of 25 years of full-time service with the City including a minimum of eight consecutive years of full-time service with the City immediately prior to retirement.

A retiree or his/her spouse is **INELIGIBLE** for coverage if he or she is eligible for any other group coverage through employment and will be required to certify this information.

A retiree/spouse who is not eligible when the employee retires is not eligible to rejoin at a later date. If an eligible retiree/spouse waives coverage at any time, they are not eligible for reinstatement in the future.

Benefits Provided

AFTER AGE 65 – Enroll in Medicare Advantage Plan, currently Humana. For each qualified retiree/spouse the City will contribute to the cost of a Group Medicare Advantage Plan for the eligible retiree/spouse in lieu of coverage through the City of Hurst Retiree Health Plan (retiree/spouse must be eligible to enroll). Eligible participating retirees and spouses age 65+ have the option to select a supplementary Medigap policy or another Medicare Advantage plan of their choice, and the City will reimburse the retiree and/or spouse what the City would have contributed for the retiree and/or spouse to the currently provided Medicare Advantage plan with documentation of the retiree's and/or spouse's monthly payment for the alternative policy/plan. The retiree and/or spouse will be responsible for the remainder of the premium. Eligible retirees/spouses must enroll in Medicare once eligible and pay the Medicare premiums.

BEFORE AGE 65 – Enroll in the City's Retiree Health Plan. The City will contribute to the cost of the eligible retiree/spouse/dependent coverage. The eligible retiree will also contribute towards this coverage and the cost will vary based on the eligible retiree's years of consecutive full-time service to the City immediately prior to TMRS service retirement and level of coverage. Upon reaching the age of 65, the retiree/spouse will have the AFTER AGE 65 options listed above.

Surviving Dependents

If an eligible retiree and his/her eligible dependents are covered by the City of Hurst Retiree Health Plan and the retiree dies:

The surviving spouse may continue as a survivor under the plan up to age 65. He/she may continue eligible dependent coverage with the City's plan by paying the applicable retiree/dependent cost based on the retiree's years of consecutive service with the City of Hurst immediately prior to the eligible retiree's TMRS service retirement. Surviving spouses/dependents must continue to meet eligibility requirements.

At age 65, the surviving spouse may be covered by the City's Medicare Advantage plan in effect at the time by paying 100% of the Medicare Advantage premium as long as he/she continues to meet eligibility requirements. Retiree reimbursement option is not available to surviving spouses.

Life Insurance

Effective for employees retiring October 1, 1997, or later, the City continues life insurance for the retiree at 50% of the City provided life insurance the retiree had as an active employee at no cost to the retiree. Effective October 1, 2011, the maximum retiree life insurance is \$75,000. The amount of retiree life insurance coverage is subject to the same percentage reductions as active employees at age 70 or older.

Dental

Eligible retirees may continue the dental coverage they had for themselves and their eligible dependents on their date of retirement by paying 100% of the premium. There is no City contribution.

IMPORTANT NOTICE: THE CITY RESERVES THE RIGHT TO AMEND, MODIFY, AND/OR TERMINATE ITS PARTICIPATION WITH RETIREE COVERAGE AT ANY TIME. NO PERSON SHALL BE VESTED IN ANY RIGHT UNDER THIS POLICY OF RETIREE COVERAGE.

A measurement date of December 31, 2024, was used for the September 30, 2025, liability and expense. The information that follows was determined as of a valuation date of December 31, 2023.

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	195
Active employees	<u>332</u>
Total employees	<u><u>527</u></u>

The City Manager has the authority to establish and amend the benefit terms of the OPEB plan. Though the City has established a trust under the OPEB plan, the City employs a pay-as-you-go method for funding annually required benefit payments.

Investments

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized in the Asset Class table noted below.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Investment Policy

The plan's policy in regard to the allocation of invested assets is established by the City. The current asset allocation policy for the plan year ended December 31, 2024, is as follows:

Asset Class	Target Allocation
Equity	54.00%
Diversifying	6.00%
Fixed income	38.00%
Cash	2.00%
Total	100.00%

Concentrations

All of the Plan's investments are held with Public Agency Retirement Services in the Balanced Strategy Blend Fund.

Rate of Return

For the plan year ended December 31, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 11.09%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability: The City's net OPEB liability of \$17,117,464 (\$13,647,754 governmental activities and \$3,469,710 business-type activities) was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023.

Actuarial Assumptions: The total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	5.59% as of December 31, 2024 (5.36% as of December 31, 2023)
Inflation	2.50%
Salary Increase	3.60% to 11.85%, including inflation
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years
Participation Rates	Participation rates vary based on years of City service. For employees with over 20 years of City service, participation rates vary from 35% to 95%.

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

Discount Rate: Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects: (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of developing the single discount rate, the City's future contributions were based on a 30-year, open amortization. Based on this funding policy, the last year in the single discount rate projection period for which projected benefit payments were fully funded was 2051.

At the December 31, 2024 measurement date, the expected rate of return on OPEB plan investments is 6.50%; the municipal bond rate is 4.08% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 5.59%.

Changes in the Net OPEB Liability:

Change in the Net OPEB Liability	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2023	\$ 24,773,567	\$ 7,401,247	\$ 17,372,320
Changes for the year:			
Service cost	830,344	-	830,344
Interest	1,318,287	-	1,318,287
Difference between expected and actual experience	200,788	-	200,788
Changes of assumptions	(619,972)	-	(619,972)
Contributions – employer	-	1,205,350	(1,205,350)
Net investment income	-	796,648	(796,648)
Benefit payments	(1,187,655)	(1,187,655)	-
Administrative expense	-	(17,695)	17,695
Net changes	541,792	796,648	(254,856)
Balance at December 31, 2024	\$ 25,315,359	\$ 8,197,895	\$ 17,117,464

The plan's Fiduciary Net Position as a percentage of Total OPEB Liability was 32.38% at September 30, 2025.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rates: The net OPEB liability of the City has been calculated using a discount rate of 5.59%. The following presents the net OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	1% Decrease in Discount Rate (4.59%)	Current Discount Rate Assumption	1% Increase in Discount Rate (6.59%)
Net OPEB liability	\$ 19,961,637	\$ 17,117,464	\$ 14,638,604

City of Hurst, Texas
Notes to Basic Financial Statements
September 30, 2025

The net OPEB liability of the City has been calculated using the assumed health care cost trend rates of 7.20% decreasing to 4.25%. The following presents the net OPEB liability using health care cost trend rates 1.00% higher and 1.00% lower than the current health care cost trend rates.

	Current Healthcare Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
Net OPEB liability	\$ 14,859,968	\$ 17,117,464	\$ 19,789,976

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2025, the City recognized OPEB expense of \$1,642,314. At September 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 850,696	\$ 596,311
Changes of assumptions	1,872,782	1,842,772
Net difference between projected and actual earnings on OPEB investments	6,410	-
Contributions subsequent to the measurement date	1,023,888	-
Total	\$ 3,753,776	\$ 2,439,083

Contributions subsequent to the measurement date of \$1,023,888 will be recognized as a reduction of the net OPEB liability in the year ending September 30, 2026.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30,	Net Deferred Outflows/ (Inflows) of Resources
2026	\$ 7,915
2027	400,193
2028	62,680
2029	(158,874)
2030	(7,669)
Thereafter	(13,440)
Total	\$ 290,805

Note 14. Deferred Compensation Plan – 457(b) Plan

The City maintains a voluntary deferred compensation plan covering substantially all employees. The deferred compensation plan is a 457(b) plan and is administered by Lincoln Retirement Services Company. The Plan provisions and contribution requirements are established and may be amended by the Plan administrator. Lincoln Financial Group Trust Company is the trustee of the plan. The City does not contribute to this plan.

Note 15. Tax Abatements

As of September 30, 2025, the City offers tax incentives under Chapter 380 of the Texas Local Government Code. Chapter 380 of the Local Government Code authorizes municipalities to offer incentives designed to promote economic development such as commercial and retail projects. Specifically, it provides for offering loans and grants of city funds or services to promote state and local economic development and to stimulate business and commercial activity. There are no other economic development programs that provide for tax incentives currently offered by the City of Hurst.

In 1987, Texas voters approved a constitutional amendment allowing for public expenditures to support economic development activities. The amendment explicitly provides for programs that use public funds for the purposes of development and diversification of the state’s economy. Then in 1989, Chapter 380 of the Local Government code greatly expanded this by enabling municipalities to also engage in using public funds to support economic development. Chapter 380 agreements do not require a year limit and allows municipalities to provide monies, loans, city personnel, and city services for the promotion and encouragement of economic development.

Although Chapter 380 provides for broad use of city resources, the City closely evaluates each proposed 380 agreement on a case-by-case basis. While the City typically places a hard cap on years and financial support, whichever occurs first, there is one agreement that does not cap the number of years and only expires when the total financial support is met. The year and financial caps are negotiated in each distinct agreement.

The City has four active 380 agreements covering retail, hospitality, and entertainment. In each case a combination of tax incentives was used in the negotiations, including property, sales, and hotel occupancy tax. Under the 380 agreements, tax incentives are considered a “tax sharing” agreement. This means that no taxes are actually abated, rather all taxes must be paid in full to the City and the City will provide a payment to the entity each year equal to the amount authorized in their respective contracts. Through sharing revenue under chapter 380, the City is able to verify that the entity has completed their requirements as outlined in their contract.

In fiscal year 2025, the City of Hurst rebated (abated) \$430,449 in property and sales taxes. The table below summarizes the tax sharing agreements in place for fiscal year 2025.

Company	% of Property Taxes Abated	% of Sales Taxes Abated	% of Hotel Occupancy Taxes Abated	Total Taxes Abated
Hurst One, LLC	50%	70%	N/A	\$ 145,968
CN Churchill IV LLC	80%	0%	75%	\$ 242,849
EREP Sprouts Crossing I, LLC	50%	0%	N/A	\$ 35,789
Phillips Edison	N/A	50%	N/A	\$ 3,151
Reharb Warriors, LLC	100%	N/A	N/A	\$ 2,692



Required Supplementary Information



City of Hurst, Texas
Required Supplementary Information
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget to Actual - GAAP Basis
Year Ended September 30, 2025 with Comparative Actual for Year Ended
September 30, 2024

	2025				2024
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Taxes					
Property taxes	\$ 20,997,171	\$ 20,997,171	\$ 20,493,664	\$ (503,507)	\$ 19,475,900
Penalties and interest	100,000	100,000	105,646	5,646	130,769
City sales taxes	11,382,148	11,382,148	12,996,499	1,614,351	12,843,036
Mixed beverage taxes	160,000	160,000	142,202	(17,798)	142,269
Franchise taxes	2,642,500	2,642,500	2,636,333	(6,167)	2,653,614
	<u>35,281,819</u>	<u>35,281,819</u>	<u>36,374,344</u>	<u>1,092,525</u>	<u>35,245,588</u>
Licenses and Permits					
Building inspection	845,000	845,000	3,639,369	2,794,369	1,130,713
Paving inspection	1,500	1,500	16,936	15,436	410
Other	26,500	26,500	17,305	(9,195)	19,375
	<u>873,000</u>	<u>873,000</u>	<u>3,673,610</u>	<u>2,800,610</u>	<u>1,150,498</u>
Intergovernmental					
Support from governmental entities	698,241	698,241	1,260,949	562,708	1,525,792
	<u>698,241</u>	<u>698,241</u>	<u>1,260,949</u>	<u>562,708</u>	<u>1,525,792</u>
Fines and Fees					
Municipal court	566,000	566,000	522,401	(43,599)	507,800
Library	4,750	4,750	4,539	(211)	4,395
	<u>570,750</u>	<u>570,750</u>	<u>526,940</u>	<u>(43,810)</u>	<u>512,195</u>
Charges for Services					
Recreational activity fees	608,000	608,000	711,182	103,182	619,009
Aquatic fees	475,000	475,000	477,080	2,080	457,030
Ambulance fees	800,000	800,000	1,547,509	747,509	988,057
Other	53,450	53,450	263,824	210,374	329,815
	<u>1,936,450</u>	<u>1,936,450</u>	<u>2,999,595</u>	<u>1,063,145</u>	<u>2,393,911</u>
Miscellaneous					
Investment earnings	450,000	450,000	1,396,010	946,010	1,500,841
Miscellaneous	299,500	299,500	289,901	(9,599)	271,092
	<u>749,500</u>	<u>749,500</u>	<u>1,685,911</u>	<u>936,411</u>	<u>1,771,933</u>
	<u>\$ 40,109,760</u>	<u>\$ 40,109,760</u>	<u>\$ 46,521,349</u>	<u>\$ 6,411,589</u>	<u>\$ 42,599,917</u>

City of Hurst, Texas
Required Supplementary Information
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget to Actual - GAAP Basis (Continued)
Year Ended September 30, 2025 with Comparative Actual for Year Ended
September 30, 2024

	2025				2024
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures					
General Government					
City Council	\$ 43,903	\$ 43,903	15,982	\$ 27,921	\$ 13,891
City Secretary	505,558	505,558	362,796	142,762	320,937
Administration (City Manager)	783,712	783,712	488,955	294,757	480,222
Judicial (municipal court)	680,532	680,532	556,673	123,859	625,361
Development	853,371	853,371	818,927	34,444	677,261
Personnel	513,671	513,671	442,576	71,095	397,446
Accounting (finance)	579,914	579,914	390,151	189,763	342,266
Nondepartmental	2,564,299	2,564,299	823,566	1,740,733	2,716,848
Information systems	15,775	15,775	16,929	(1,154)	17,745
Building maintenance	747,563	715,563	475,352	240,211	474,042
Total general government	7,288,298	7,256,298	4,391,907	2,864,391	6,066,019
Public Safety					
Ambulance	1,887,470	1,887,470	1,922,157	(34,687)	1,803,126
Police	14,801,702	14,824,779	12,922,181	1,902,598	11,917,383
Fire	9,040,143	9,040,143	9,123,460	(83,317)	9,059,826
Total public safety	25,729,315	25,752,392	23,967,798	1,784,594	22,780,335
Culture and Recreation					
Administration	621,474	621,474	370,151	251,323	266,044
Recreation	1,525,914	1,525,914	1,418,820	107,094	1,462,091
Aquatics	466,408	466,408	420,760	45,648	387,704
Parks	2,535,711	2,535,711	2,788,008	(252,297)	2,427,912
Library	1,788,582	1,788,582	1,765,008	23,574	1,674,239
Senior citizens	664,879	664,879	639,126	25,753	613,382
Total culture and recreation	7,602,968	7,602,968	7,401,873	201,095	6,831,372
Public Works					
Streets	2,887,567	2,887,567	2,055,383	832,184	1,945,311
Engineering community development	386,198	386,198	209,168	177,030	206,399
Code enforcement	888,792	888,792	1,724,979	(836,187)	870,874
Total public works	4,162,557	4,162,557	3,989,530	173,027	3,022,584
Total Expenditures	\$ 44,783,138	\$ 44,774,215	\$ 39,751,108	\$ 5,023,107	\$ 38,700,310
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (4,673,378)	\$ (4,664,455)	\$ 6,770,241	\$ 11,434,696	\$ 3,899,607

City of Hurst, Texas
Required Supplementary Information
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget to Actual - GAAP Basis (Continued)
Year Ended September 30, 2025 with Comparative Actual for Year Ended
September 30, 2024

	2025				2024
	Original Budget	Final Budget	Actual	Variance	Actual
Other Financing Sources (Uses)					
Leases issued	\$ -	\$ -	\$ -	\$ -	\$ 1,341,637
Proceeds from sale of capital assets	-	-	1,428		4,128
Transfers in	-	-	762,289	762,289	2,072,301
Transfers out	-	-	(5,959,094)	(5,959,094)	(15,412,588)
Total other financing uses	-	-	(5,195,377)	(5,196,805)	(11,994,522)
Net Change in Fund Balance	(4,673,378)	(4,664,455)	1,574,864	6,239,319	(8,094,915)
Fund Balance, Beginning of Year	21,298,248	21,298,248	21,298,248	-	29,393,163
Fund Balance, End of Year	<u>\$ 16,624,870</u>	<u>\$ 16,633,793</u>	<u>\$ 22,873,112</u>	<u>\$ 6,239,319</u>	<u>\$ 21,298,248</u>

City of Hurst, Texas
Required Supplementary Information
Major Special Revenue Funds - Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget to Actual - GAAP Basis
Year Ended September 30, 2025 with Comparative Actual for Year Ended
September 30, 2024

	HCDC				
	Original Budget	Final Budget	2025 Actual	Variances	2024 Actual
Revenues					
Taxes, penalties and interest	\$ 5,750,000	\$ 5,750,000	\$ 6,252,746	\$ 502,746	\$ 6,103,825
Support from governmental entities	-	-	15,046	15,046	289,954
Investment earnings	140,000	140,000	327,787	187,787	398,448
Miscellaneous	5,000	5,000	20,880	15,880	6,654
Total revenues	5,895,000	5,895,000	6,616,459	721,459	6,798,881
Expenditures					
Culture and recreation	4,383,735	4,383,735	4,287,484	96,251	4,048,101
Capital outlay	113,000	113,000	1,039,942	(926,942)	1,070,662
Total expenditures	4,496,735	4,496,735	5,327,426	(830,691)	5,118,763
Excess of revenues over expenditures	1,398,265	1,398,265	1,289,033	(109,232)	1,680,118
Other Financing Sources (Uses)					
Transfers in	-	-	40,899	40,899	8,805
Transfers out	-	-	(1,226,269)	(1,226,269)	(1,223,387)
Total other financing sources (uses)	-	-	(1,185,370)	(1,185,370)	(1,214,582)
Net Change in Fund Balance	1,398,265	1,398,265	103,663	(1,294,602)	465,536
Fund Balance, Beginning of Year	8,230,014	8,230,014	8,230,014	-	7,764,478
Fund Balance, End of Year	<u>\$ 9,628,279</u>	<u>\$ 9,628,279</u>	<u>\$ 8,333,677</u>	<u>\$ (1,294,602)</u>	<u>\$ 8,230,014</u>

City of Hurst, Texas
Required Supplementary Information
Major Special Revenue Funds - Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget to Actual - GAAP Basis (Continued)
Year Ended September 30, 2025 with Comparative Actual for Year Ended
September 30, 2024

	Anti-Crime				
	Original Budget	Final Budget	2025 Actual	Variances	2024 Actual
Revenues					
Taxes, penalties and interest	\$ 5,750,000	\$ 5,750,000	\$ 6,212,531	\$ 462,531	\$ 6,058,772
Investment earnings	140,000	140,000	423,359	283,359	561,791
Miscellaneous	2,000	2,000	1,514	(486)	1,517
Total revenues	5,892,000	5,892,000	6,637,404	745,404	6,622,080
Expenditures					
Public safety	5,659,934	5,659,934	5,059,291	600,643	5,346,682
Capital outlay	-	-	88,868	(88,868)	-
Debt service					
Principal	-	-	37,382	(37,382)	-
Interest	-	-	5,868	(5,868)	-
Total expenditures	5,659,934	5,659,934	5,191,409	468,525	5,346,682
Excess of Revenues Over Expenditures	232,066	232,066	1,445,995	1,213,929	1,275,398
Other Financing Sources (Uses)					
Subscriptions issued	-	-	85,618	85,618	-
Transfers in	-	-	51,899	51,899	42,152
Transfers out	-	-	-	-	(2,500,000)
Total other financing sources (uses)	-	-	137,517	137,517	(2,457,848)
Net Change in Fund Balance	232,066	232,066	1,583,512	1,351,446	(1,182,450)
Fund Balance, Beginning of Year	10,257,641	10,257,641	10,257,641	-	11,440,091
Fund Balance, End of Year	<u>\$ 10,489,707</u>	<u>\$ 10,489,707</u>	<u>\$ 11,841,153</u>	<u>\$ 1,351,446</u>	<u>\$ 10,257,641</u>



1. Summary of Significant Accounting Policies

A. Budgetary Data and Stewardship

The City is required to annually adopt budgets for the General, Special Revenue and Debt Service Funds on a basis consistent with GAAP. Budgeted amounts are originally adopted by the City Council for the 2024-2025 budget. The City follows these procedures in establishing budgetary data reflected in the basic financial statements.

- 1) Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) Prior to September 30, the budget is legally enacted through passage of an ordinance.
- 4) The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council, after public hearings.
- 5) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Debt Service Funds.
- 6) Budgetary data for the Capital Projects Funds has not been presented in the accompanying basic financial statements as such funds are budgeted over the life of the respective project and not on an annual basis. Accordingly, formal budgetary integration of the Capital Projects Funds is not employed and comparison of actual results of operations to budgetary data for such funds is not presented.

B. Excess of Expenditures Over Appropriations

For the year ended September 30, 2025, expenditures exceeded appropriations in the following fund by the following amount:

- HCDC Fund – \$830,691

Expenditures exceeding appropriations were funded mainly through revenue surplus received during the year for the HCDC Fund.

City of Hurst, Texas
Required Supplementary Information
Schedule of Changes in The City's Net Pension Liability and Related Ratios - TMRS
Last 10 Years
(Unaudited)

	2015	2016	2017	2018
Total Pension Liability				
Service cost	\$ 3,659,696	\$ 3,973,289	\$ 4,106,510	\$ 4,141,532
Interest (on the Total Pension Liability)	10,074,733	10,295,405	10,751,911	11,221,017
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(346,324)	502,382	764,482	(778,214)
Change of assumptions	2,268,583	-	-	-
Benefit payments, including refunds of employee contributions	(6,870,568)	(7,556,886)	(8,592,383)	(8,789,026)
Net Change in Total Pension Liability	8,786,120	7,214,190	7,030,520	5,795,309
Total Pension Liability - Beginning	145,530,199	154,316,319	161,530,509	168,561,029
Total Pension Liability - Ending (a)	154,316,319	161,530,509	168,561,029	174,356,338
Plan Fiduciary Net Position				
Contributions - employer	2,450,163	2,376,553	2,687,273	2,806,311
Contributions - employee	1,688,782	1,727,426	1,789,807	1,810,318
Net investment income	201,292	9,037,883	19,293,284	(4,620,014)
Benefit payments, including refunds of employee contributions	(6,870,568)	(7,556,886)	(8,592,383)	(8,789,026)
Administrative expense	(122,612)	(102,096)	(100,013)	(89,337)
Other	(6,056)	(5,503)	(5,069)	(4,667)
Net Change in Plan Fiduciary Net Position	(2,658,999)	5,477,377	15,072,899	(8,886,415)
Plan Fiduciary Net Position - Beginning	136,423,683	133,764,684	139,242,061	154,314,960
Plan Fiduciary Net Position - Ending (b)	133,764,684	139,242,061	154,314,960	145,428,545
City's Net Pension Liability - Ending (a) - (b)	<u>\$ 20,551,635</u>	<u>\$ 22,288,448</u>	<u>\$ 14,246,069</u>	<u>\$ 28,927,793</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.68%	86.20%	91.55%	83.41%
Covered Payroll	\$ 23,504,794	\$ 24,663,496	\$ 25,553,888	\$ 25,836,133
City's Net Pension Liability as a Percentage of Covered Payroll	87.44%	90.37%	55.75%	111.97%

Other Information:

The discount rate changed from 7.00% to 6.75% for the 2016 valuation; there were no other changes in assumptions.

2019	2020	2021	2022	2023	2024
\$ 4,294,773 11,603,397 -	\$ 4,355,601 12,112,003 -	\$ 4,299,817 12,540,609 -	\$ 4,564,693 13,074,546 -	\$ 4,735,556 13,708,986 -	\$ 5,041,354 14,188,003 -
635,990 286,317	(484,413) -	926,422 -	2,915,041 -	1,862,634 (963,340)	3,267,431 -
(9,203,080)	(9,428,922)	(9,782,223)	(10,196,006)	(12,285,187)	(12,515,171)
7,617,397	6,554,269	7,984,625	10,358,274	7,058,649	9,981,617
174,356,338	181,973,735	188,528,004	196,512,629	206,870,903	213,929,552
181,973,735	188,528,004	196,512,629	206,870,903	213,929,552	223,911,169
2,942,019 1,879,028 22,463,670 (9,203,080)	2,999,772 1,871,652 12,388,487 (9,428,922)	3,135,711 1,849,189 22,283,990 (9,782,223)	3,453,934 2,032,958 (13,738,655) (10,196,006)	3,557,966 2,046,887 19,637,164 (12,285,187)	4,222,313 2,165,880 18,946,266 (12,515,171)
(127,039) (3,817)	(80,247) (3,131)	(103,222) 707	(119,076) 142,093	(125,235) (875)	(121,892) (2,850)
17,950,781	7,747,611	17,384,152	(18,424,752)	12,830,720	12,694,546
145,428,545	163,379,326	171,126,937	188,511,089	170,086,337	182,917,057
163,379,326	171,126,937	188,511,089	170,086,337	182,917,057	195,611,603
\$ 18,594,409	\$ 17,401,067	\$ 8,001,540	\$ 36,784,566	\$ 31,012,495	\$ 28,299,566
89.78%	90.77%	95.93%	82.22%	85.50%	87.36%
\$ 26,842,333	\$ 26,737,880	\$ 26,346,916	\$ 28,004,251	\$ 29,016,888	\$ 30,278,402
69.27%	65.08%	30.37%	131.35%	106.88%	93.46%

City of Hurst, Texas
Required Supplementary Information
Schedule of City Contributions - TMRS
Last 10 Years
(Unaudited)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 2,468,088	\$ 2,604,026	\$ 2,736,709	\$ 2,904,605	\$ 2,910,714	\$ 3,029,768	\$ 3,419,077	\$ 3,371,871	\$ 4,006,991	\$ 4,479,609
Contributions in relation to the actuarially determined contribution	2,472,131	2,615,694	2,760,558	2,904,605	2,946,295	3,029,768	3,419,077	3,371,871	4,006,991	4,479,609
Contribution Deficiency (Excess)	\$ (4,043)	\$ (11,668)	\$ (23,849)	\$ -	\$ (35,581)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 25,292,040	\$ 25,399,155	\$ 25,632,597	\$ 26,565,856	\$ 26,356,739	\$ 26,288,728	\$ 28,909,682	\$ 29,548,150	\$ 31,912,986	\$ 31,110,227
Contributions as a Percentage of Covered Payroll	9.77%	10.30%	10.77%	10.93%	11.18%	11.52%	11.83%	11.41%	12.56%	14.40%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	21 years (longest amortization ladder)
Asset Valuation Method	10-year smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB (10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes	Granted 30% retroactive ad hoc COLA.
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City of Hurst, Texas
Required Supplementary Information
Schedule of Changes in The City's Net OPEB Liability and Related Ratios
Last 10 Years*
(Unaudited)

	Measurement Year							
	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service cost	\$ 689,481	\$ 768,566	\$ 792,053	\$ 682,587	\$ 811,803	\$ 871,388	\$ 720,884	\$ 830,344
Interest (on the Total OPEB Liability)	981,235	1,004,827	1,061,546	933,744	921,737	1,023,287	1,161,276	1,318,287
Difference between expected and actual experience	-	(67,845)	(3,560,217)	(10,073)	1,281,325	165,531	21,635	200,788
Change of assumptions	644,834	(58,439)	599,659	1,374,648	925,966	(2,261,610)	1,287,735	(619,972)
Benefit payments, including refunds of employee contributions	(849,310)	(680,984)	(682,789)	(764,202)	(787,066)	(1,079,147)	(1,038,662)	(1,187,655)
Net Change in Total OPEB Liability	1,466,240	966,125	(1,789,748)	2,216,704	3,153,765	(1,280,551)	2,152,868	541,792
Total OPEB Liability - Beginning	17,888,164	19,354,404	20,320,529	18,530,781	20,747,485	23,901,250	22,620,699	24,773,567
Total OPEB Liability - Ending (a)	19,354,404	20,320,529	18,530,781	20,747,485	23,901,250	22,620,699	24,773,567	25,315,359
Plan Fiduciary Net Position								
Employer contributions	877,112	1,073,668	1,433,489	1,511,286	1,515,680	1,096,120	1,055,503	1,205,350
Net investment income	413,998	(171,374)	677,555	654,740	700,830	(1,173,762)	1,002,664	796,648
Benefit payments	(849,310)	(680,984)	(682,789)	(764,202)	(787,066)	(1,079,147)	(1,038,662)	(1,187,655)
Administrative expense	(7,175)	(7,904)	(9,189)	(11,632)	(16,188)	(16,973)	(16,841)	(17,695)
Net Change in Plan Fiduciary Net Position	434,625	213,406	1,419,066	1,390,192	1,413,256	(1,173,762)	1,002,664	796,648
Plan Fiduciary Net Position - Beginning	2,701,800	3,136,425	3,349,831	4,768,897	6,159,089	7,572,345	6,398,583	7,401,247
Plan Fiduciary Net Position - Ending (b)	3,136,425	3,349,831	4,768,897	6,159,089	7,572,345	6,398,583	7,401,247	8,197,895
City's Net OPEB Liability - Ending (a) - (b)	<u>\$ 16,217,979</u>	<u>\$ 16,970,698</u>	<u>\$ 13,761,884</u>	<u>\$ 14,588,396</u>	<u>\$ 16,328,905</u>	<u>\$ 16,222,116</u>	<u>\$ 17,372,320</u>	<u>\$ 17,117,464</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	16.21%	16.48%	25.74%	29.69%	31.68%	28.29%	29.88%	32.38%
Covered Employee Payroll	\$ 25,094,883	\$ 25,064,769	\$ 26,261,996	\$ 26,373,442	\$ 26,173,012	\$ 27,959,257	\$ 29,069,047	\$ 30,163,151
City's Net OPEB Liability as a Percentage of Covered Employee Payroll	64.63%	67.71%	52.40%	55.31%	62.39%	58.02%	59.76%	56.75%
Single Discount Rate	5.18%	5.21%	5.05%	4.44%	4.30%	5.77%	5.36%	5.59%

Notes to schedule:

*The information in this schedule has been determined as of the measurement date (December 31) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions, only periods for which such information is available are presented.

The demographic assumptions were updated to reflect the 2023 TMRS Experience Study and the health care trend rates were updated to reflect the plan's anticipated experience. The two-person coverage assumption was increased in plan year 2021.

The long-term rate of return assumption was changed from 6.75% to 6.50% in plan year 2020.

The demographic assumptions were updated to reflect the 2019 TMRS Experience Study and the health care trend rates were updated to reflect the plan's anticipated experience.

City of Hurst, Texas
Required Supplementary Information
Schedule of City Contributions - OPEB
Last 10 Years*
(Unaudited)

	Fiscal Year							
	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 1,044,493	\$ 1,308,968	\$ 1,348,237	\$ 1,388,684	\$ 1,057,214	\$ 1,088,930	\$ 1,193,917	\$ 1,229,735
Contribution in relation to the actuarially determined contribution	<u>1,103,792</u>	<u>1,512,327</u>	<u>1,350,433</u>	<u>1,489,582</u>	<u>1,115,526</u>	<u>826,152</u>	<u>1,181,349</u>	<u>1,444,224</u>
Contribution Deficiency (Excess)	<u><u>\$ (59,299)</u></u>	<u><u>\$ (203,359)</u></u>	<u><u>\$ (2,196)</u></u>	<u><u>\$ (100,898)</u></u>	<u><u>\$ (58,312)</u></u>	<u><u>\$ 262,778</u></u>	<u><u>\$ 12,568</u></u>	<u><u>\$ (214,489)</u></u>
Covered Employee Payroll	\$ 26,669,986	\$ 27,538,631	\$ 26,767,738	\$ 26,689,275	\$ 27,367,587	\$ 28,437,074	\$ 29,940,527	\$ 30,870,475
Contributions as a Percentage of Covered Employee Payroll	4.14%	5.49%	5.05%	5.58%	4.08%	2.91%	3.95%	4.68%

Notes to Schedule:

Valuation Date:

The actuarially determined contribution for fiscal year ending September 30, 2025 was developed in the December 31, 2021 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level percentage of pay
Amortization Period	Open, 30-years
Asset Valuation Method	Market value
Inflation	2.50%
Healthcare Cost Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 13 years
Salary Increases	3.50% to 11.50%, including inflation
Investment Rate of Return	6.50%, net of investment expense, including inflation
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.

*The information in this schedule has been determined for the fiscal year end of the City and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions, only periods for which such information is available are presented.

City of Hurst, Texas
Required Supplementary Information
Schedule of Investment Returns - OPEB
Last 10 Years*
(Unaudited)

Plan Year	Weighted Rate of Return
2017	15.64 %
2018	(4.66) %
2019	19.90 %
2020	13.48 %
2021	11.60 %
2022	(15.23) %
2023	16.01 %
2024	11.09 %

*The information in this schedule has been determined as of the measurement date (December 31) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision, only periods for which such information is available are presented.



Combining and Individual Fund Financial Statements and Schedules



City of Hurst, Texas

Fund Descriptions

General Fund

The General Fund – Used to account for all revenues and expenditures not accounted for in other funds.

Non-Major Debt Service Funds

The Debt Service Fund – To provide for the payment of general obligation bond principal and interest as they come due. Property tax is required to be computed and levied which will be sufficient to produce the money required to pay principal and interest and fiscal agent fees as they come due.

The HCDC Debt Service Fund – To account for the sales tax revenue required to pay principal and interest and fiscal agent fees related to sales tax revenue bonds.

Hotel Motel Debt Service Fund – To account for the hotel motel tax revenue required to pay principal and interest and fiscal agent fees as they come due related to the construction of the Hurst Conference Center.

Non-Major Capital Projects Funds

2007 C.O. Bond Capital Projects Fund – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

2015 C.O. Bond Capital Projects Fund – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

2017 Tax Notes Capital Projects Fund - To account for the financing of a new fire engine.

2019 C.O. Bond Capital Projects Fund – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

2019 G.O. Bond Capital Projects Fund – To account for the financing and construction of designated projects. Financing was provided by general obligation bond proceeds.

2022 C.O. Bonds Capital Projects Fund – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

2024 C.O. Bond Capital Projects Fund – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

2025 C.O. Bond Capital Projects Fund – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

City of Hurst, Texas

Fund Descriptions (Continued)

Non-Major Enterprise Funds

Hurst Public Facility Corporation Fund – Used to account for the activities of the Hurst Public Facility Corporation, a public non-profit corporation organized pursuant to the *Texas Public Facility Act*, Chapter 303 Texas Local Government Code.

Val Oaks Fund – Used to account for the activities at the Val Oaks property, including lease revenues and related operating expenditures.

Internal Service Funds

The Fleet Service Fund – Used to account for the acquisition and financing of replacement vehicles and the repair and maintenance of all vehicles. Operations are financed by charges to user departments based on vehicle usage.

The Loss Reserve Fund – Used to account for the City's self-insurance health care program. The program is financed by charges to user departments based on the number of covered employees and dependents.

The Information Services Fund – Used to account for the personnel and operating costs of information services and the replacement cost of all computer related equipment. Operations are financed by charges to user departments on a cost-reimbursement basis.

City of Hurst, Texas
Comparative Balance Sheets
General Fund
September 30, 2025

	2025	2024
Assets		
Cash and cash equivalents	\$ 3,650,571	\$ 1,915,482
Investments	15,623,826	17,375,428
Taxes receivable	2,154,885	2,159,351
Lease receivable	123,841	141,204
Court receivables	2,446,616	2,574,569
Other	1,873,327	1,883,865
Prepays	20,880	20,880
Inventory	1,803	1,803
Due from other funds	2,653,707	1,577,414
Total assets	<u>\$ 28,549,456</u>	<u>\$ 27,649,996</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable and accrued items	\$ 2,191,776	\$ 2,494,598
Escrow deposits payable and unearned revenue	127,204	78,002
Total liabilities	<u>2,318,980</u>	<u>2,572,600</u>
Deferred Inflows of Resources		
Lease related	112,960	129,666
Unavailable revenue	3,244,404	3,649,482
Total deferred inflows of resources	<u>3,357,364</u>	<u>3,779,148</u>
Fund Balances		
Nonspendable		
Prepays	20,880	20,880
Inventory	1,803	1,803
Restricted	11,250,453	10,425,315
Assigned	23,167	22,907
Unassigned	11,576,809	10,827,343
Total fund balances	<u>22,873,112</u>	<u>21,298,248</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,549,456</u>	<u>\$ 27,649,996</u>

City of Hurst, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025 with Comparative
Total for September 30, 2024

	Debt Service			Capital Projects
	Debt Service Fund	HCDC Debt Service Fund	Hotel Motel Debt Service Fund	2007 CO Bond
Assets				
Cash and cash equivalents	\$ 63,128	\$ 889,603	\$ 6,447	\$ 10,151
Investments	351,681	-	-	-
Receivables, net				
Taxes	25,586	-	-	-
Other	2,566	-	-	-
Total assets	<u>\$ 442,961</u>	<u>\$ 889,603</u>	<u>\$ 6,447</u>	<u>\$ 10,151</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)				
Liabilities				
Accounts payable and accrued items	\$ 12,186	\$ 26,597	\$ -	\$ -
Due to other funds	1,000	-	-	-
Total liabilities	<u>13,186</u>	<u>26,597</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue	17,783	-	-	-
Total deferred inflows of resources	<u>17,783</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)				
Restricted	411,992	863,006	6,447	10,151
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>411,992</u>	<u>863,006</u>	<u>6,447</u>	<u>10,151</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 442,961</u>	<u>\$ 889,603</u>	<u>\$ 6,447</u>	<u>\$ 10,151</u>

Capital Projects						
2015 CO Bond	2017 Tax Notes	2019 CO Bonds	2019 GO Bonds	2022 CO Bonds	2024 CO Bonds	2025 CO Bonds
\$ 40,220 100,000	\$ 76 -	\$ 67,640 -	\$ 29,755 49,982	\$ 1,043,846 600,594	\$ 1,032,311 500,000	\$ 1,336,979 502,930
- 1,296	- -	- -	- 410	- 7,997	- 15,009	- 1,984
<u>\$ 141,516</u>	<u>\$ 76</u>	<u>\$ 67,640</u>	<u>\$ 80,147</u>	<u>\$ 1,652,437</u>	<u>\$ 1,547,320</u>	<u>\$ 1,841,893</u>
\$ - 132,365	\$ - -	\$ - -	\$ - -	\$ - 1,449,542	\$ - 842,237	\$ - -
<u>132,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,449,542</u>	<u>842,237</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,151 -	76 -	67,640 -	80,147 -	202,895 -	705,083 -	1,841,893 -
<u>9,151</u>	<u>76</u>	<u>67,640</u>	<u>80,147</u>	<u>202,895</u>	<u>705,083</u>	<u>1,841,893</u>
<u>\$ 141,516</u>	<u>\$ 76</u>	<u>\$ 67,640</u>	<u>\$ 80,147</u>	<u>\$ 1,652,437</u>	<u>\$ 1,547,320</u>	<u>\$ 1,841,893</u>



City of Hurst, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025 with Comparative
Total for September 30, 2024

	Totals	
	2025	2024
Assets		
Cash and cash equivalents	\$ 4,520,156	\$ 5,116,366
Investments	2,105,187	1,056,169
Receivables, net		
Taxes	25,586	36,472
Other	29,262	25,917
Total assets	<u>\$ 6,680,191</u>	<u>\$ 6,234,924</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)		
Liabilities		
Accounts payable and accrued items	\$ 38,783	\$ 1,014,634
Due to other funds	2,425,144	888,309
Total liabilities	<u>2,463,927</u>	<u>1,902,943</u>
Deferred Inflows of Resources		
Unavailable revenue	<u>17,783</u>	<u>33,366</u>
Total deferred inflows of resources	<u>17,783</u>	<u>33,366</u>
Fund Balances (Deficit)		
Restricted	4,198,481	4,411,762
Unassigned	-	(113,147)
Total fund balances (deficit)	<u>4,198,481</u>	<u>4,298,615</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 6,680,191</u>	<u>\$ 6,234,924</u>

City of Hurst, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2025 with Comparative
Total for September 30, 2024

	Debt Service		Hotel Motel	Capital
	Debt Service	HCDC Debt	Debt Service	Projects
	Fund	Service Fund	Fund	2007 CO
				Bond
Revenues				
Taxes, penalty and interest	\$ 3,331,646	\$ -	\$ -	\$ -
Investment earnings	84,271	41,408	1,617	-
Miscellaneous	37	-	-	-
Total revenues	3,415,954	41,408	1,617	-
Expenditures				
Capital outlay	-	-	-	-
Debt Service				
Principal retirement	2,550,000	800,000	210,000	-
Interest and fiscal charges	839,886	426,262	149,930	-
Total expenditures	3,389,886	1,226,262	359,930	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	26,068	(1,184,854)	(358,313)	-
Other Financing Sources (Uses)				
Issuance of debt	-	-	-	-
Premium on bond issuance	-	-	-	-
Transfers in	-	1,226,269	359,930	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	1,226,269	359,930	-
Net Change in Fund Balances (Deficit)	26,068	41,415	1,617	-
Fund Balances (Deficit), Beginning of Year	385,924	821,591	4,830	10,151
Fund Balances (Deficit), End of Year	\$ 411,992	\$ 863,006	\$ 6,447	\$ 10,151

Capital Projects						
2015 CO Bond	2017 Tax Notes	2019 CO Bonds	2019 GO Bonds	2022 CO Bonds	2024 CO Bonds	2025 CO Bonds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,867	-	2,814	1,925	74,151	47,321	1,607
115,565	-	-	-	-	-	-
122,432	-	2,814	1,925	74,151	47,321	1,607
134	-	22,349	-	893,446	1,343,841	-
-	-	-	-	-	-	-
-	-	-	-	-	-	22,833
134	-	22,349	-	893,446	1,343,841	22,833
122,298	-	(19,535)	1,925	(819,295)	(1,296,520)	(21,226)
-	-	-	-	-	-	1,820,000
-	-	-	-	-	-	43,119
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,863,119
122,298	-	(19,535)	1,925	(819,295)	(1,296,520)	1,841,893
(113,147)	76	87,175	78,222	1,022,190	2,001,603	-
\$ 9,151	\$ 76	\$ 67,640	\$ 80,147	\$ 202,895	\$ 705,083	\$ 1,841,893

City of Hurst, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2025 with Comparative
Total for September 30, 2024

	Totals	
	2025	2024
Revenues		
Taxes, penalty and interest	\$ 3,331,646	\$ 3,384,950
Investment earnings	261,981	247,054
Miscellaneous	115,602	-
Total revenues	3,709,229	3,632,004
Expenditures		
Capital outlay	2,259,770	1,807,564
Debt Service		
Principal retirement	3,560,000	3,570,000
Interest and fiscal charges	1,438,911	1,471,895
Total expenditures	7,258,681	6,849,459
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,549,452)	(3,217,455)
Other Financing Sources (Uses)		
Issuance of debt	1,820,000	1,975,000
Premium on bond issuance	43,119	61,333
Transfers in	1,586,199	1,790,833
Transfers out	-	(204,346)
Total other financing sources (uses)	3,449,318	3,622,820
Net Change in Fund Balances (Deficit)	(100,134)	405,365
Fund Balances (Deficit), Beginning of Year	4,298,615	3,893,250
Fund Balances (Deficit), End of Year	\$ 4,198,481	\$ 4,298,615

City of Hurst, Texas
Debt Service Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended September 30, 2025 with Comparative
Actual for Year Ended September 30, 2024

	Debt Service Fund			
	2025		2024	
	Budget	Actual	Variances	Actual
Revenues				
Taxes, penalties and interest	\$ 3,394,380	\$ 3,331,646	\$ (62,734)	\$ 3,384,950
Investment earnings	-	84,271	84,271	48,713
Miscellaneous	-	37	37	-
Total revenues	3,394,380	3,415,954	21,574	3,433,663
Expenditures				
Principal retirement	2,550,000	2,550,000	-	2,595,000
Interest and fiscal charges	834,380	839,886	(5,506)	825,473
Total expenditures	3,384,380	3,389,886	(5,506)	3,420,473
Excess of revenues over expenditures	10,000	26,068	16,068	13,190
Fund Balance, Beginning of Year	385,924	385,924	-	372,734
Fund Balance, End of Year	<u>\$ 395,924</u>	<u>\$ 411,992</u>	<u>\$ -</u>	<u>\$ 385,924</u>

City of Hurst, Texas
Debt Service Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Continued)
Year Ended September 30, 2025 with Comparative
Actual for Year Ended September 30, 2024

	HCDC Debt Service Fund			
	2025			2024
	Budget	Actual	Variance	Actual
Revenues				
Investment earnings	\$ -	\$ 41,408	\$ 41,408	\$ 43,177
Total revenues	-	41,408	41,408	43,177
Expenditures				
Principal retirement	800,000	800,000	-	770,000
Interest and fiscal charges	424,283	426,262	(1,979)	453,562
Total expenditures	1,224,283	1,226,262	(1,979)	1,223,562
Excess (deficiency) of revenues over (under) expenditures	(1,224,283)	(1,184,854)	39,429	(1,180,385)
Other Financing Sources				
Transfers in	1,224,283	1,226,269	1,986	1,223,387
Total other financing sources	1,224,283	1,226,269	1,986	1,223,387
Revenues and Other Financing Sources Over Expenditures	-	41,415	41,415	43,002
Fund Balance, Beginning of Year	821,591	821,591	-	778,589
Fund Balance, End of Year	\$ 821,591	\$ 863,006	\$ 41,415	\$ 821,591

City of Hurst, Texas
Debt Service Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Continued)
Year Ended September 30, 2025 with Comparative
Actual for Year Ended September 30, 2024

	Hotel/Motel Debt Service Fund			
	2025			2024
	Budget	Actual	Variance	Actual
Revenues				
Investment earnings	\$ -	\$ 1,617	\$ 1,617	\$ 247
Total revenues	-	1,617	1,617	247
Expenditures				
Principal retirement	210,000	210,000	-	205,000
Interest and fiscal charges	149,600	149,930	(330)	158,130
Total expenditures	359,600	359,930	(330)	363,130
Deficiency of revenues under expenditures	(359,600)	(358,313)	1,287	(362,883)
Other Financing Sources				
Transfers in	359,600	359,930	(330)	363,100
Total other financing sources	359,600	359,930	(330)	363,100
Revenues and Other Financing Sources Over Expenditures	-	1,617	1,617	217
Fund Balance, Beginning of Year	4,830	4,830	-	4,613
Fund Balance, End of Year	\$ 4,830	\$ 6,447	\$ 1,617	\$ 4,830

City of Hurst, Texas
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2025 with Comparative
Total for September 30, 2024

			Totals	
	Hurst Public Facility Corporation Fund	Val Oaks Fund	2025	2024
Assets				
Current assets				
Cash and cash equivalents	\$ 347,242	\$ 55,042	\$ 402,284	\$ 473,841
Lease receivable	-	23,995	23,995	65,273
Other receivables	-	245	245	245
Capital assets	-	63,130	63,130	-
Total assets	347,242	142,412	489,654	539,359
Liabilities				
Current liabilities				
Accounts payable and accrued items	-	11,029	11,029	-
Due to other funds	-	-	-	36,701
Customer deposits	-	2,330	2,330	25,406
Total current liabilities	-	13,359	13,359	62,107
Deferred Inflows of Resources				
Lease related	-	20,285	20,285	56,632
Total deferred inflows of resources	-	20,285	20,285	56,632
Net Position				
Net investment in capital assets	-	63,130	63,130	-
Unrestricted	347,242	45,638	392,880	420,620
Total net position	347,242	108,768	456,010	420,620
Total liabilities, deferred inflows of resources and net position	\$ 347,242	\$ 142,412	\$ 489,654	\$ 539,359

City of Hurst, Texas
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2025 with Comparative
Total for September 30, 2024

			Totals	
	Hurst Public Facility Corporation Fund	Val Oaks Fund	2025	2024
Operating Revenues				
Service/user fees	\$ -	\$ -	\$ -	\$ 32,280
Rental and lease	-	331,029	331,029	-
Other	11,100	-	11,100	119,092
Total operating revenues	11,100	331,029	342,129	151,372
Operating Expenses				
Repairs and maintenance	-	46,201	46,201	-
Materials and supplies	-	6,171	6,171	-
Miscellaneous	40,676	66,668	107,344	226,232
Total operating expenses	40,676	119,040	159,716	226,232
Operating Income (Loss)	(29,576)	211,989	182,413	(74,860)
Nonoperating Revenues (Expenses)				
Investment earnings	3,791	-	3,791	5,463
Total nonoperating revenues (expenses)	3,791	-	3,791	5,463
Income (Loss) Before Transfers	(25,785)	211,989	186,204	(69,397)
Transfers				
Transfers out	(100,814)	(50,000)	(150,814)	-
Total transfers	(100,814)	(50,000)	(150,814)	-
Change in Net Position	(126,599)	161,989	35,390	(69,397)
Net Position (Deficit), Beginning of Year	473,841	(53,221)	420,620	490,017
Net Position, End of Year	<u>\$ 347,242</u>	<u>\$ 108,768</u>	<u>\$ 456,010</u>	<u>\$ 420,620</u>

City of Hurst, Texas
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2025 with Comparative
Total for Year Ended September 30, 2024

	Hurst Public Facility Corporation Fund	Val Oaks Fund	Totals	
			2025	2024
Operating Activities				
Receipts from customers and users	\$ 11,100	\$ 312,884	\$ 323,984	\$ 160,054
Payments to suppliers	(40,676)	(108,011)	(148,687)	(189,531)
Net cash provided by (used in) operating activities	(29,576)	204,873	175,297	(29,477)
Noncapital Financing Activities				
Advances from other funds	-	(36,701)	(36,701)	-
Transfer to other funds	(100,814)	(50,000)	(150,814)	-
Net cash used in noncapital financing activities	(100,814)	(86,701)	(187,515)	-
Capital and Related Financing Activities				
Purchases of property and equipment	-	(63,130)	(63,130)	-
Net cash used in capital and financing activities	-	(63,130)	(63,130)	-
Investing Activities				
Interest income on investments	3,791	-	3,791	5,463
Net cash provided by investing activities	3,791	-	3,791	5,463
Increase (Decrease) in Cash and Cash Equivalents	(126,599)	55,042	(71,557)	(24,014)
Cash and Cash Equivalents, Beginning of Year	473,841	-	473,841	497,855
Cash and Cash Equivalents, End of Year	<u>\$ 347,242</u>	<u>\$ 55,042</u>	<u>\$ 402,284</u>	<u>\$ 473,841</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (29,576)	\$ 211,989	\$ 182,413	\$ (74,860)
Change in assets				
Lease receivable	-	41,278	41,278	122,720
Other	-	-	-	36,701
Change in liabilities and deferred inflows of resources				
Accounts payable	-	11,029	11,029	-
Security deposits	-	(23,076)	(23,076)	-
Deferred inflows - lease related	-	(36,347)	(36,347)	(114,038)
Net cash provided by (used in) operating activities	<u>\$ (29,576)</u>	<u>\$ 204,873</u>	<u>\$ 175,297</u>	<u>\$ (29,477)</u>

City of Hurst, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2025 with Comparative
Total for September 30, 2024

				Totals	
	Fleet Service	Loss Reserve	Information Services	2025	2024
Assets					
Current assets					
Cash and cash equivalents	\$ 2,475,984	\$ 4,339,034	\$ 1,655,328	\$ 8,470,346	\$ 7,973,827
Investments	3,253,497	1,525,186	2,502,219	7,280,902	7,016,290
Inventory of materials and supplies	78,808	-	-	78,808	72,751
Other receivables	33,093	191,739	41,484	266,316	467,404
Prepaid expenses	-	165,000	-	165,000	165,000
Total current assets	5,841,382	6,220,959	4,199,031	16,261,372	15,695,272
Property and Equipment					
Capital assets	8,492,297	-	9,083,663	17,575,960	15,979,234
Accumulated depreciation/amortization	(6,164,212)	-	(7,339,859)	(13,504,071)	(12,523,450)
Total property and equipment, net	2,328,085	-	1,743,804	4,071,889	3,455,784
Total assets	8,169,467	6,220,959	5,942,835	20,333,261	19,151,056
Deferred Outflows of Resources					
Deferred pension outflows	71,195	-	111,878	183,073	273,076
Deferred OPEB outflows	51,427	-	61,562	112,989	135,874
Total deferred outflows of resources	122,622	-	173,440	296,062	408,950
Liabilities					
Current liabilities					
Accounts payable and accrued items	199,912	600,545	100,290	900,747	875,309
Current portion of net OPEB liability	11,725	-	14,037	25,762	26,145
Current portion of long-term liabilities	9,168	-	100,667	109,835	114,369
Total current liabilities	220,805	600,545	214,994	1,036,344	1,015,823
Noncurrent Liabilities					
Net pension liability	277,336	-	435,813	713,149	781,514
Net OPEB liability, net of current portion	222,784	-	266,689	489,473	496,761
Long-term liabilities, net of current portion	21,401	-	133,835	155,236	147,977
Total liabilities	742,326	600,545	1,051,331	2,394,202	2,442,075
Deferred Inflows of Resources					
Deferred pension inflows	21,548	-	33,862	55,410	19,694
Deferred OPEB inflows	33,415	-	40,001	73,416	82,669
Total deferred inflows of resources	54,963	-	73,863	128,826	102,363
Net Position					
Net investment in capital assets	2,270,553	-	1,571,203	3,841,756	3,262,833
Unrestricted	5,224,247	5,620,414	3,419,878	14,264,539	13,752,735
Total net position	\$ 7,494,800	\$ 5,620,414	\$ 4,991,081	\$ 18,106,295	\$ 17,015,568

City of Hurst, Texas
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2025 with Comparative
Total for September 30, 2024

	Fleet Service	Loss Reserve	Information Services	Totals	
				2025	2024
Operating Revenues					
Service/user fees	\$ 2,097,407	\$ 8,807,569	\$ 2,720,678	\$ 13,625,654	\$ 13,031,595
Other	1,944	518,345	1,756	522,045	277,618
Total operating revenues	2,099,351	9,325,914	2,722,434	14,147,699	13,309,213
Operating Expenses					
Personnel services	497,973	2,152,896	776,346	3,427,215	3,040,516
Claims	-	8,457,455	-	8,457,455	7,766,854
Contractual services	-	-	352,192	352,192	368,825
Repairs and maintenance	356,260	-	929,756	1,286,016	901,395
Materials and supplies	707,535	-	460,882	1,168,417	961,569
Depreciation and amortization	662,230	-	543,604	1,205,834	1,117,995
Indirect cost/street rental fees	-	-	-	-	245,000
Miscellaneous	193,233	20,881	46,578	260,692	245,160
Total operating expenses	2,417,231	10,631,232	3,109,358	16,157,821	14,647,314
Operating Income (Loss)	(317,880)	(1,305,318)	(386,924)	(2,010,122)	(1,338,101)
Nonoperating Revenues (Expenses)					
Investment earnings	224,665	180,847	153,449	558,961	707,546
Gain (loss) on sale of property and equipment	22,267	-	-	22,267	(13,253)
Insurance recoveries, net	232,452	-	-	232,452	-
Total nonoperating revenues (expenses)	479,384	180,847	153,449	813,680	694,293
Income (Loss) Before Transfers	161,504	(1,124,471)	(233,475)	(1,196,442)	(643,808)
Transfers in	224,105	1,124,472	938,592	2,287,169	826,755
Change in Net Position	385,609	1	705,117	1,090,727	182,947
Net Position, Beginning of Year	7,109,191	5,620,413	4,285,964	17,015,568	16,832,621
Net Position, End of Year	\$ 7,494,800	\$ 5,620,414	\$ 4,991,081	\$ 18,106,295	\$ 17,015,568

City of Hurst, Texas
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2025 with Comparative
Total for Year Ended September 30, 2024

	Fleet Service	Loss Reserve	Information Services	Totals	
				2025	2024
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 50,717	\$ 230,668	\$ 1,756	\$ 283,141	\$ 532,698
Receipts from interfund services provided	2,097,407	8,807,569	2,720,678	13,625,654	12,432,137
Payments on behalf of suppliers	(1,310,036)	(20,881)	(688,172)	(2,019,089)	(10,539,659)
Payments on behalf of employees	(467,105)	(10,612,628)	(1,804,926)	(12,884,659)	(2,710,416)
Net cash provided by (used in) operating activities	370,983	(1,595,272)	229,336	(994,953)	(285,240)
Cash Flows from Noncapital Financing Activities					
Transfers from other funds	224,105	1,124,472	938,592	2,287,169	826,755
Net cash provided by (used in) noncapital financing activities	224,105	1,124,472	938,592	2,287,169	826,755
Cash Flows from Capital and Related Financing Activities					
Insurance proceeds	232,452	-	-	232,452	-
Subscription liability payments	-	-	(91,424)	(91,424)	(100,845)
Purchases of property and equipment	(1,145,160)	-	(548,173)	(1,693,333)	(1,374,542)
Proceeds from sale of property and equipment	22,267	-	-	22,267	25,108
Net cash used in capital and related financing activities	(890,441)	-	(639,597)	(1,530,038)	(1,450,279)
Cash Flows from Investing Activities					
Proceeds from sale/maturity of investments	2,599,291	1,201,645	1,787,869	5,588,805	9,242,123
Purchase of investments	(2,400,000)	(1,225,000)	(2,228,417)	(5,853,417)	(6,391,552)
Interest received on investments	224,665	621,497	152,791	998,953	630,862
Net cash provided by (used in) investing activities	423,956	598,142	(287,757)	734,341	3,481,433
Net Increase in Cash and Cash Equivalents	128,603	127,342	240,574	496,519	2,572,669
Cash and Cash Equivalents, Beginning of Year	2,347,381	4,211,692	1,414,754	7,973,827	5,401,158
Cash and Cash Equivalents, End of Year	<u>\$ 2,475,984</u>	<u>\$ 4,339,034</u>	<u>\$ 1,655,328</u>	<u>\$ 8,470,346</u>	<u>\$ 7,973,827</u>
Reconciliation of Operating Income (Loss)					
to Net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	\$ (317,880)	\$ (1,305,318)	\$ (386,924)	\$ (2,010,122)	\$ (1,338,101)
Adjustments to reconcile operating income (loss)					
to net cash provided by (used in) operating activities					
Depreciation and amortization	662,230	-	543,604	1,205,834	1,117,995
Change in assets and deferred outflows:					
Other receivables	48,773	(287,677)	-	(238,904)	(344,378)
Inventory of supplies	(6,057)	-	-	(6,057)	(1,740)
Deferred pension outflows	52,001	-	81,714	133,715	171,219
Deferred OPEB outflows	10,416	-	12,469	22,885	1,376
Change in liabilities and deferred inflows:					
Accounts payable and other liabilities	(46,951)	(2,277)	(15,518)	(64,746)	277,691
Compensated absences	5,851	-	49,876	55,727	(30,940)
Net pension liability	(26,586)	-	(41,779)	(68,365)	(145,457)
Net OPEB liability	(3,492)	-	(4,179)	(7,671)	34,621
Deferred pension inflows	(3,110)	-	(4,886)	(7,996)	(2,625)
Deferred OPEB inflows	(4,212)	-	(5,041)	(9,253)	(24,901)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 370,983</u>	<u>\$ (1,595,272)</u>	<u>\$ 229,336</u>	<u>\$ (994,953)</u>	<u>\$ (285,240)</u>
Noncash Investing, Capital and Financing Activities					
Capital assets in accounts payable	\$ 57,532	\$ -	\$ 32,652	\$ 90,184	\$ -
Issuance of subscription	-	-	38,422	38,422	-



Statistical Section (Unaudited)



City of Hurst, Texas

Table Descriptions

This part of the City of Hurst's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends	104-114
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	115-122
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	123-128
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	129-130
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	131-136
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Hurst, Texas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended			
	2016	2017	2018 (1)	2019
Governmental Activities				
Net investment in capital assets	\$ 116,996,558	\$ 114,347,361	\$ 113,020,392	\$ 111,980,392
Restricted	24,767,252	16,117,137	16,581,980	15,961,153
Unrestricted	16,858,946	23,931,997	9,991,473	7,530,751
Total governmental activities net position	<u>\$ 158,622,756</u>	<u>\$ 154,396,495</u>	<u>\$ 139,593,845</u>	<u>\$ 135,472,296</u>
Business-type Activities				
Net investment in capital assets	\$ 36,190,346	\$ 38,973,677	\$ 40,834,276	\$ 41,683,200
Restricted	12,911,394	-	-	-
Unrestricted	468,067	12,949,090	10,738,394	10,025,806
Total business-type activities net position	<u>\$ 49,569,807</u>	<u>\$ 51,922,767</u>	<u>\$ 51,572,670</u>	<u>\$ 51,709,006</u>
Primary Government				
Net investment in capital assets	\$ 153,186,904	\$ 153,321,038	\$ 153,854,668	\$ 153,663,592
Restricted	37,678,646	16,117,137	16,581,980	15,961,153
Unrestricted	17,327,013	36,881,087	20,729,867	17,556,557
Total primary government net position	<u>\$ 208,192,563</u>	<u>\$ 206,319,262</u>	<u>\$ 191,166,515</u>	<u>\$ 187,181,302</u>

Notes: Beginning amounts for 2018 were restated as per GASB 75.

Fiscal Year Ended					
2020	2021	2022	2023	2024	2025
\$ 109,339,694	\$ 107,239,312	\$ 107,071,255	\$ 105,576,298	\$ 110,245,082	\$ 113,395,513
19,240,287	21,240,054	24,870,497	28,074,737	30,291,151	32,706,728
7,676,690	12,937,321	25,260,442	26,523,871	17,756,363	16,629,933
<u>\$ 136,256,671</u>	<u>\$ 141,416,687</u>	<u>\$ 157,202,194</u>	<u>\$ 160,174,906</u>	<u>\$ 158,292,596</u>	<u>\$ 162,732,174</u>
\$ 42,263,651	\$ 41,558,248	\$ 44,943,007	\$ 46,021,443	\$ 51,453,028	\$ 63,228,162
-	-	-	-	-	-
10,367,091	13,555,313	15,286,641	17,366,080	23,536,852	13,216,792
<u>\$ 52,630,742</u>	<u>\$ 55,113,561</u>	<u>\$ 60,229,648</u>	<u>\$ 63,387,523</u>	<u>\$ 74,989,880</u>	<u>\$ 76,444,954</u>
\$ 151,603,345	\$ 148,797,560	\$ 152,014,262	\$ 151,597,741	\$ 161,698,110	\$ 176,623,675
19,240,287	21,240,054	24,870,497	28,074,737	30,291,151	32,706,728
18,043,781	26,492,634	40,547,083	43,889,951	41,293,215	29,846,725
<u>\$ 188,887,413</u>	<u>\$ 196,530,248</u>	<u>\$ 217,431,842</u>	<u>\$ 223,562,429</u>	<u>\$ 233,282,476</u>	<u>\$ 239,177,128</u>

City of Hurst, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental activities				
General government	\$ 8,168,344	\$ 5,503,950	\$ 8,330,340	\$ 8,148,665
Public safety	24,614,274	26,946,144	25,445,464	27,277,634
Culture and recreation	12,112,717	12,554,825	12,836,977	12,386,690
Public works	5,174,276	4,928,786	3,869,464	5,085,774
Interest expense	2,328,484	1,888,355	2,042,840	1,711,724
Total governmental activities expenses	52,398,095	51,822,060	52,525,085	54,610,487
Business-type activities				
Water and sewer	20,384,872	20,090,660	20,542,607	21,842,377
Stormwater management services	879,123	1,015,099	936,108	950,588
Conference and meeting center	2,362,568	2,654,063	2,777,085	3,608,240
Hurst Public Facility Corporation	-	-	-	-
Val Oaks	-	-	-	-
Total business-type activities expenses	23,626,563	23,759,822	24,255,800	26,401,205
Total primary government expenses	\$ 76,024,658	\$ 75,581,882	\$ 76,780,885	\$ 81,011,692
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 18,470	\$ 19,165	\$ 135,242	\$ 159,535
Public safety	3,551,541	3,229,547	2,894,515	2,597,631
Culture and recreation	1,156,952	1,244,593	1,256,034	1,290,885
Public works	682,420	780,953	802,568	1,058,007
Operating grants and contributions	862,969	1,613,979	1,960,737	1,504,425
Capital grants and contributions	218,830	265,990	111,051	116,567
Total governmental activities program revenues	6,491,182	7,154,227	7,160,147	6,727,050
Business-type activities				
Charges for services				
Water and sewer services	19,892,629	21,183,069	22,394,948	21,229,151
Stormwater management services	1,098,287	1,375,194	1,104,982	1,137,792
Hurst Public Facility Corporation	-	-	-	-
Conference and meeting center	2,553,445	2,811,704	3,147,745	3,269,784
Operating grants and contributions	44,622	10,931	5,947	-
Capital grants and contributions	693,753	811,985	179,560	629,288
Total business-type activities program revenues	24,282,736	26,192,883	26,833,182	26,266,015
Total primary government program revenues	\$ 30,773,918	\$ 33,347,110	\$ 33,993,329	\$ 32,993,065

Table A-2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 6,919,302	\$ 4,958,838	\$ 4,109,697	\$ 7,937,133	\$ 9,616,217	\$ 6,283,914
25,752,945	24,389,940	25,461,659	33,012,865	30,952,740	32,664,842
10,637,396	11,383,530	11,639,982	11,800,248	13,381,888	14,202,361
4,929,958	4,116,324	4,958,387	4,736,648	4,967,470	7,117,257
1,135,394	1,724,654	1,476,018	1,432,656	1,384,263	1,356,034
49,374,995	46,573,286	47,645,743	58,919,550	60,302,578	61,624,408
21,415,506	19,737,759	21,143,906	22,252,474	23,262,027	25,070,882
911,776	932,360	1,011,047	1,223,552	1,221,302	1,405,798
2,151,646	1,877,996	2,465,978	3,646,018	3,668,642	3,971,293
-	6,189	6,549	8,429	50,650	40,676
-	-	-	56,571	175,582	119,040
24,478,928	22,554,304	24,627,480	27,187,044	28,378,203	30,607,689
\$ 73,853,923	\$ 69,127,590	\$ 72,273,223	\$ 86,106,594	\$ 88,680,781	\$ 92,232,097
\$ 131,383	\$ 422,983	\$ 630,363	\$ 420,541	\$ 1,097,872	\$ 699,219
2,024,041	1,449,576	2,504,688	1,858,676	1,967,644	2,768,568
492,827	843,374	1,124,631	1,092,777	1,023,667	1,816,926
790,736	831,192	818,958	958,482	897,865	1,593,638
3,270,198	1,889,171	1,516,275	2,361,002	2,013,386	1,390,430
-	-	-	226,376	1,619,898	471,968
6,709,185	5,436,296	6,594,915	6,917,854	8,620,332	8,740,749
21,779,611	21,575,460	24,479,806	24,048,164	23,672,638	23,868,652
1,102,664	1,106,028	1,106,059	1,122,971	1,105,097	1,274,746
-	200,991	158,693	170,079	32,280	-
1,804,763	1,783,144	2,394,881	3,596,871	3,660,921	3,971,158
-	-	-	-	-	-
466,764	404,716	369,783	400,058	1,903,018	920,041
25,153,802	25,070,339	28,509,222	29,338,143	30,373,954	30,034,597
\$ 31,862,987	\$ 30,506,635	\$ 35,104,137	\$ 36,255,997	\$ 38,994,286	\$ 38,775,346

City of Hurst, Texas
Changes in Net Position
Last Ten Fiscal Years (Continued)
(accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
Net (Expense)/Revenue				
Governmental activities	\$ (45,906,913)	\$ (44,667,833)	\$ (45,364,938)	\$ (47,883,437)
Business-type activities	656,173	2,433,061	2,577,382	(135,190)
Total primary government net expense	<u>\$ (45,250,740)</u>	<u>\$ (42,234,772)</u>	<u>\$ (42,787,556)</u>	<u>\$ (48,018,627)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes, penalty and interest	\$ 13,982,919	\$ 14,814,146	\$ 15,383,521	\$ 16,292,473
Sales taxes	20,685,644	20,043,791	20,935,157	20,661,292
Franchise taxes	2,967,123	2,961,774	2,975,917	2,935,945
Occupancy taxes	716,281	705,786	768,618	905,677
Investment earnings (losses)	385,477	430,170	799,902	1,539,049
Grants and contributions	-	-	-	-
Miscellaneous	280,870	1,251,454	1,245,930	1,189,108
Transfers	180,384	234,451	225,000	238,344
Total governmental activities	<u>\$ 39,198,698</u>	<u>\$ 40,441,572</u>	<u>\$ 42,334,045</u>	<u>\$ 43,761,888</u>
Business-type activities				
Investment earnings (losses)	\$ 132,649	\$ 154,350	\$ 249,592	\$ 509,870
Gain on sale of capital assets	-	-	-	-
Miscellaneous	-	-	-	-
Transfers	(180,384)	(234,451)	(225,000)	(238,344)
Total business-type activities	<u>(47,735)</u>	<u>(80,101)</u>	<u>24,592</u>	<u>271,526</u>
Total primary government	<u>\$ 39,150,963</u>	<u>\$ 40,361,471</u>	<u>\$ 42,358,637</u>	<u>\$ 44,033,414</u>
Change in Net Position				
Governmental activities	\$ (6,708,215)	\$ (4,226,261)	\$ (3,030,893)	\$ (4,121,549)
Business-type activities	608,438	2,352,960	2,601,974	136,336
Total primary government	<u>\$ (6,099,777)</u>	<u>\$ (1,873,301)</u>	<u>\$ (428,919)</u>	<u>\$ (3,985,213)</u>

Table A-2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ (42,665,810) 674,874	\$ (41,136,990) 2,516,035	\$ (41,050,828) 3,881,742	\$ (52,001,696) 2,151,099	\$ (51,682,246) 1,995,751	\$ (52,883,659) (561,992)
<u>\$ (41,990,936)</u>	<u>\$ (38,620,955)</u>	<u>\$ (37,169,086)</u>	<u>\$ (49,850,597)</u>	<u>\$ (49,686,495)</u>	<u>\$ (53,445,651)</u>
\$ 18,389,781 19,777,236 2,669,328 660,845 1,160,273 - 692,722 100,000	\$ 19,906,761 21,994,035 2,563,184 613,169 136,883 - 983,535 99,439	\$ 20,699,923 24,292,054 2,663,951 958,104 (812,485) 9,606,179 774,268 (1,345,659)	\$ 22,070,415 24,491,658 2,694,566 1,020,995 3,149,934 - 1,693,590 (146,750)	\$ 23,090,993 24,289,712 2,653,614 858,190 5,069,797 - 1,121,117 (7,283,487)	\$ 23,832,089 24,881,102 2,636,333 722,876 3,930,133 - 1,370,281 (49,577)
<u>\$ 43,450,185</u>	<u>\$ 46,297,006</u>	<u>\$ 56,836,335</u>	<u>\$ 54,974,408</u>	<u>\$ 49,799,936</u>	<u>\$ 57,323,237</u>
\$ 346,862 - - (100,000)	\$ 66,223 - - (99,439)	\$ (111,314) - - 1,345,659	\$ 860,026 - - 146,750	\$ 1,404,232 412,562 506,325 7,283,487	\$ 1,109,714 - 857,775 49,577
<u>246,862</u>	<u>(33,216)</u>	<u>1,234,345</u>	<u>1,006,776</u>	<u>9,606,606</u>	<u>2,017,066</u>
<u>\$ 43,697,047</u>	<u>\$ 46,263,790</u>	<u>\$ 58,070,680</u>	<u>\$ 55,981,184</u>	<u>\$ 59,406,542</u>	<u>\$ 59,340,303</u>
\$ 784,375 921,736	\$ 5,160,016 2,482,819	\$ 15,785,507 5,116,087	\$ 2,972,712 3,157,875	\$ (1,882,310) 11,602,357	\$ 4,439,578 1,455,074
<u>\$ 1,706,111</u>	<u>\$ 7,642,835</u>	<u>\$ 20,901,594</u>	<u>\$ 6,130,587</u>	<u>\$ 9,720,047</u>	<u>\$ 5,894,652</u>

City of Hurst, Texas
Fund Balances
Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
General Fund				
Nonspendable	\$ 1,883	\$ 1,883	\$ 2,401	\$ 1,883
Restricted	3,104,302	4,086,043	5,446,104	5,083,249
Committed	365,042	-	-	-
Assigned	581,219	568,555	18,254	23,575
Unassigned	9,172,096	9,162,496	8,989,839	9,702,437
Total general fund	<u>\$ 13,224,542</u>	<u>\$ 13,818,977</u>	<u>\$ 14,456,598</u>	<u>\$ 14,811,144</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	21,662,950	14,851,969	14,292,760	23,756,410
Assigned	17,066,513	18,295,467	18,887,440	17,682,803
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 38,729,463</u>	<u>\$ 33,147,436</u>	<u>\$ 33,180,200</u>	<u>\$ 41,439,213</u>

Table A-3

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 1,881	\$ 1,883	\$ 1,883	\$ 27,883	\$ 22,683	\$ 1,803
5,844,743	6,139,054	6,852,281	7,687,793	10,425,315	11,250,453
-	-	-	-	-	-
29,620	29,630	26,558	22,907	22,907	23,167
9,584,839	9,544,066	21,031,771	21,654,580	10,827,343	11,576,809
<u>\$ 15,461,083</u>	<u>\$ 15,714,633</u>	<u>\$ 27,912,493</u>	<u>\$ 29,393,163</u>	<u>\$ 21,298,248</u>	<u>\$ 22,852,232</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21,575,718	18,318,313	22,640,273	23,097,819	22,899,417	24,373,311
19,946,306	22,251,573	17,814,621	21,520,579	25,299,084	24,889,238
-	-	(4,729)	-	(113,147)	-
<u>\$ 41,522,024</u>	<u>\$ 40,569,886</u>	<u>\$ 40,450,165</u>	<u>\$ 44,618,398</u>	<u>\$ 48,085,354</u>	<u>\$ 49,262,549</u>

City of Hurst, Texas
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Taxes	\$ 38,414,972	\$ 38,900,450	\$ 40,069,713	\$ 40,797,443
Licenses/permits	782,782	878,517	825,525	1,091,085
Support from governmental entities	874,576	1,613,979	1,960,737	1,504,425
Charges for services	2,035,396	2,065,177	2,126,300	2,319,048
Fines and fees	2,448,040	2,436,813	2,516,568	1,498,576
Investment earnings (losses)	313,953	412,492	774,577	1,290,490
Miscellaneous	543,025	1,195,603	1,056,666	1,081,968
Total revenues	45,412,744	47,503,031	49,330,086	49,583,035
Expenditures				
General government	3,268,525	3,664,549	3,472,880	4,380,033
Public safety	21,506,049	23,618,438	23,423,951	23,808,440
Culture and recreation	9,344,037	9,950,204	10,078,424	9,893,956
Public works	2,095,586	2,109,784	2,036,102	2,317,724
Capital outlay	6,787,480	8,313,541	4,132,380	3,762,850
Debt service				
Principal	3,134,902	3,466,724	3,428,872	3,065,000
Interest and fiscal agent fees	2,287,885	2,119,020	1,961,100	1,855,604
Bond issuance costs	-	-	-	-
Total expenditures	48,424,464	53,242,260	48,533,709	49,083,607
Excess of revenues over (under) expenditures	(3,011,720)	(5,739,229)	796,377	499,428
Other Financing Sources (Uses)				
Capital lease	-	-	-	-
Proceeds from borrowing	4,905,000	1,180,000	-	9,175,000
Proceeds from refunding	11,240,000	1,500,000	-	-
Premium on bond issuance	1,931,800	-	-	453,618
Payments to escrow agent	(12,517,062)	(1,478,363)	-	-
Leases issued	-	-	-	-
Subscriptions issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	3,414,597	3,395,882	3,790,919	3,552,517
Transfers out	(4,356,820)	(3,845,882)	(3,916,911)	(5,067,004)
Total other financing sources (uses)	4,617,515	751,637	(125,992)	8,114,131
Net Change in Fund Balances	<u>\$ 1,605,795</u>	<u>\$ (4,987,592)</u>	<u>\$ 670,385</u>	<u>\$ 8,613,559</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>13.02%</u>	<u>12.43%</u>	<u>12.14%</u>	<u>10.86%</u>

Table A-4

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 41,476,811	\$ 44,978,994	\$ 48,720,756	\$ 50,292,941	\$ 50,793,135	\$ 52,171,267
811,270	861,307	861,582	1,039,614	1,150,498	3,673,610
3,270,198	1,889,171	11,122,454	2,361,002	2,392,857	1,464,902
1,527,628	6,925,652	2,349,819	2,286,995	2,393,911	2,999,595
1,120,244	700,005	620,296	459,759	512,195	526,940
975,831	103,865	(638,873)	2,795,644	4,362,251	3,371,172
619,891	732,308	566,599	545,920	366,118	615,784
49,801,873	56,191,302	63,602,633	59,781,875	61,970,965	64,823,270
4,722,080	6,394,535	4,076,566	3,745,565	4,336,270	4,704,822
23,035,269	24,703,321	24,967,834	26,694,706	28,260,025	29,076,996
8,100,441	9,413,588	9,453,611	9,991,630	10,888,967	11,342,200
2,371,726	3,410,230	3,046,937	2,773,546	3,022,584	3,986,666
5,706,338	6,682,999	5,244,739	4,714,128	10,133,622	7,222,276
3,400,000	3,600,000	3,600,000	3,744,834	3,733,044	3,888,047
2,055,757	1,679,755	1,612,804	1,556,838	1,496,268	1,463,623
-	205,774	-	-	-	-
49,391,611	56,090,202	52,002,491	53,221,247	61,870,780	61,684,630
410,262	101,100	11,600,142	6,560,628	100,185	3,138,640
-	-	-	-	-	-
575,000	-	1,975,000	-	1,975,000	1,820,000
-	13,350,000	-	-	-	-
-	-	70,638	-	61,333	43,119
-	(13,404,894)	-	-	-	-
-	-	-	130,686	1,341,637	-
-	-	-	284,915	-	85,618
-	-	-	-	4,128	1,428
4,588,565	4,099,745	26,583,718	6,045,751	20,875,048	6,984,792
(4,841,077)	(4,844,539)	(28,151,359)	(7,373,077)	(28,985,290)	(9,321,538)
322,488	(799,688)	477,997	(911,725)	(4,728,144)	(386,581)
\$ 732,750	\$ (698,588)	\$ 12,078,139	\$ 5,648,903	\$ (4,627,959)	\$ 2,752,059
12.49%	12.02%	11.15%	10.93%	10.11%	9.83%

City of Hurst, Texas
Tax Revenues by Source
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table A-5

Fiscal Year	Property	Sales/ Occupancy	Mixed Beverage	Franchise	Total
2016	14,045,924	21,262,957	138,968	2,967,123	38,414,972
2017	15,189,099	20,613,996	135,581	2,961,774	38,900,450
2018	16,158,639	20,598,410	148,603	2,975,917	39,881,569
2019	17,200,207	20,505,778	155,513	2,935,945	40,797,443
2020	19,051,715	19,651,638	125,599	2,669,327	41,498,279
2021	20,408,258	21,862,706	131,331	2,563,183	44,965,478
2022	20,806,647	24,135,206	156,847	2,663,951	47,762,651
2023	22,057,559	24,343,605	148,052	2,673,895	49,223,111
2024	22,973,669	25,005,634	142,269	2,653,613	50,775,185
2025	23,896,010	25,461,777	142,202	2,636,332	52,136,321

City of Hurst, Texas
Appraised Value of Property
Last Ten Fiscal Years
(in thousands of dollars)

Table B-1

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Industrial Property	Appraised Value	Tax-Exempt Property	Total Direct Tax Rate
2016	1,587,424	975,963	34,254	2,597,641	238,300	0.611
2017	1,745,042	1,144,598	37,283	2,926,923	298,859	0.588
2018	1,867,873	1,249,125	44,304	3,161,302	368,576	0.581
2019	2,116,580	1,360,984	43,893	3,521,457	324,355	0.580
2020	2,333,240	1,461,170	51,466	3,845,876	298,320	0.597
2021	2,324,192	1,447,024	51,848	3,823,064	335,010	0.625
2022	2,526,894	1,460,400	25,992	4,013,286	318,917	0.625
2023	2,837,774	1,436,654	41,150	4,315,578	386,327	0.614
2024	3,144,358	1,675,587	58,704	4,878,649	458,875	0.581
2025	3,410,195	1,747,146	37,821	5,195,162	440,316	0.591

Source: Tarrant County Appraisal District.

Note: Assessed value is 100% of actual value.

City of Hurst, Texas
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Table B-2

Fiscal Year	City Direct Rates			Overlapping Rates (1)			
	Basic Rate	General Debt Service	Total Direct Rate	HEB School District	Tarrant County	Hospital	Tarrant County College
2016	0.474277	0.136284	0.611	1.35000	0.26400	0.22790	0.14950
2017	0.461648	0.126252	0.588	1.31600	0.25400	0.22790	0.14473
2018	0.465042	0.115898	0.581	1.26300	0.24400	0.22443	0.14006
2019	0.471551	0.108449	0.580	1.27300	0.23400	0.22443	0.13607
2020	0.478236	0.119063	0.597	1.22000	0.23400	0.22443	0.13017
2021	0.504186	0.120973	0.625	1.19800	0.23400	0.22443	0.13017
2022	0.516794	0.108365	0.625	1.16080	0.22900	0.22443	0.13017
2023	0.513753	0.100290	0.614	1.10980	0.22400	0.22443	0.13017
2024	0.495572	0.085578	0.581	0.92110	0.19450	0.19450	0.11217
2025	0.508990	0.082334	0.591	0.96890	0.18750	0.18250	0.11228

Source: Tarrant County Appraisal District.

Notes: The City's basic property tax rate must be set according to the State of Texas' Truth-in-Taxation and other applicable laws. Truth-in-Taxation requires a No-New-Revenue and Voter-Approval tax rate calculation to be performed and under certain conditions the rates must be published locally. If the City Council proposes a tax rate above the Voter-Approval rate (the No-New-Revenue M&O rate times 1.035 plus the Debt Service rate plus the three-year rolling sum of the difference between the City's adopted rate and the Voter-Approval rate), then the City must hold an election to approve the proposed rate. Rates for debt service are not subject to election and are set based on each year's requirements. The State of Texas does limit the City's overall tax rate to \$2.50 per \$100 valuation while the City's Charter limits the overall tax rate to \$1.50 per \$100 valuation.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Hurst. Not all overlapping rates apply to all Hurst property owners. In fact, some City of Hurst property owners pay taxes to the Birdville or Grapevine-Colleyville Independent School Districts. HEB ISD is shown above as the vast majority of Hurst residents reside within HEB ISD's boundaries.

City of Hurst, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago

Table B-3

Taxpayer	2015			2024		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (1)	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (2)
Melvin Simon & Associates Inc.	\$ 119,001,901	1	5.38%	\$ 91,543,583	1	2.03%
Westdale Hills 2013 LP	28,222,351	3	1.28%	71,468,744	2	1.59%
Shops at Northeast Mall LLC	61,000,000	2	2.76%	65,901,289	3	1.46%
Cooks creek 255 LLC/SPI Park Place 120 DE LLC				54,800,000	4	1.22%
WWC LII LP				36,800,000	5	0.82%
Tribeca Acq LLC/Bristols Apartments Acq Company LLC				29,400,000	6	0.65%
Oncor Electric Delivery Co. LLC				28,119,373	7	0.62%
Mayfair Station LLC	15,112,371	10	0.68%	23,508,121	8	0.52%
Krg Market St. Village LP				23,275,000	9	0.52%
MLG/MA Heritage TIC II LLC				22,509,065	10	0.50%
Wal-Mart Real Estate Bus. Trust/Wal-Mart Stores TEX	24,819,559	4	1.12%	-		0.00%
Kelly-Moore Paint Co. Inc.	21,360,000	5	0.97%	-		0.00%
Hurst City Apt Partners Ltd	18,792,223	6	0.85%	-		0.00%
Oncor Electric Delivery Co. LLC	18,601,291	7	0.84%			0.00%
Macy's Texas LLP	17,901,204	8	0.81%			0.00%
Pipeline 13 A LP Etal	17,576,569	9	0.80%	-		0.00%
Total	<u>\$ 342,387,469</u>		<u>15.49%</u>	<u>\$ 447,325,175</u>		<u>9.93%</u>

Source: Tarrant Appraisal District

(1) Total City Taxable Assessed Value in 2015 was \$2,210,532,886.

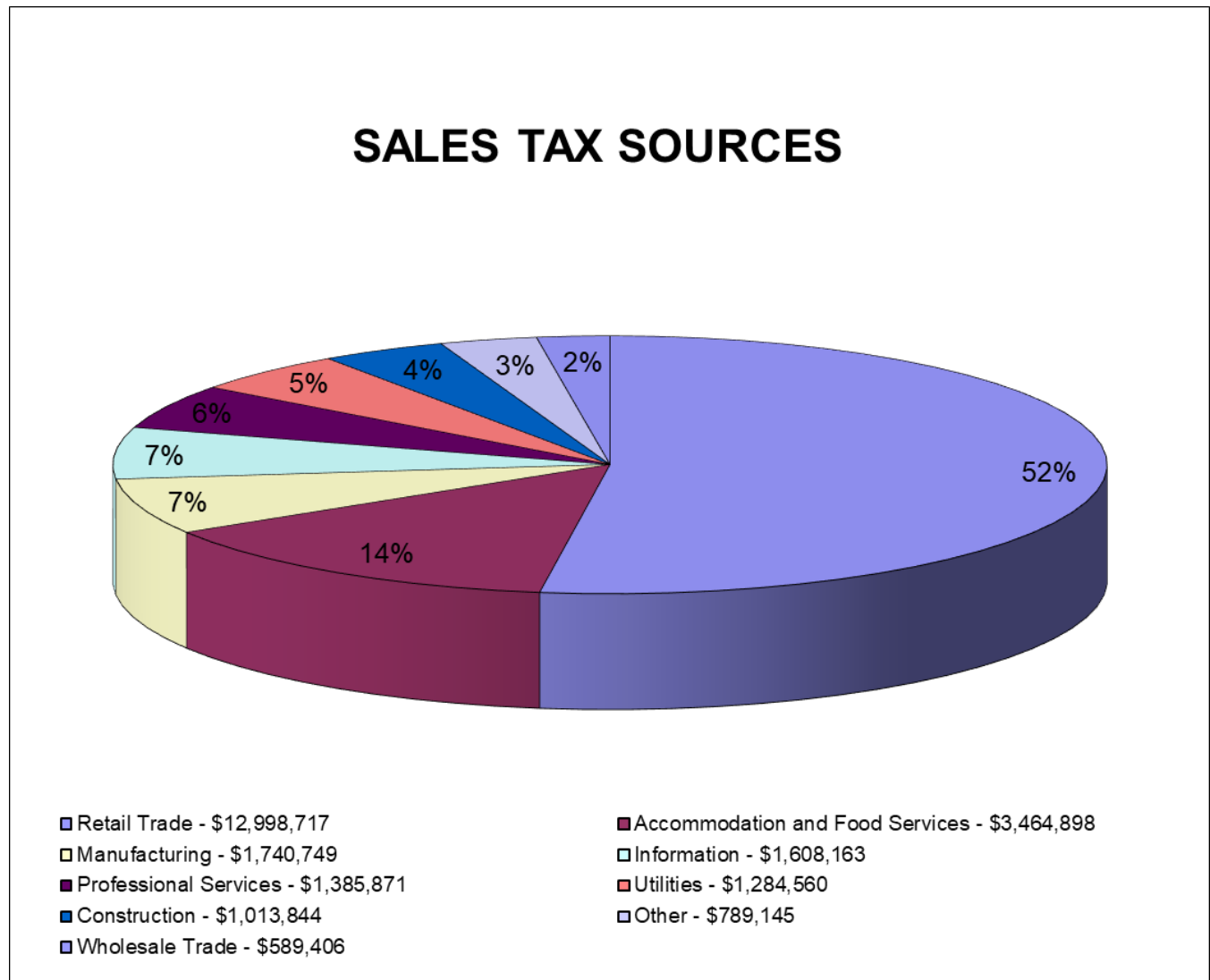
(2) Total City Taxable Assessed Value in 2025 was \$4,507,988,350.

City of Hurst, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years

Table B-4

Fiscal Year Ended Sept 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Collections/ (Refunds)	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	14,079,556	13,951,219	99.1%	11,772	13,962,991	99.2%
2017	15,052,747	14,831,734	98.5%	199,103	15,030,837	99.9%
2018	16,103,519	15,993,536	99.3%	133,422	16,126,958	100.1%
2019	17,258,532	17,049,741	98.8%	51,611	17,101,352	99.1%
2020	19,058,554	18,921,015	99.3%	17,966	18,938,981	99.4%
2021	20,514,104	20,296,780	98.9%	6,604	20,303,384	99.0%
2022	20,768,009	20,666,468	99.5%	1,158	20,667,626	99.5%
2023	22,118,653	21,959,820	99.3%	(43,786)	21,916,034	99.1%
2024	23,047,172	22,884,970	99.3%	(64,653)	22,820,317	99.0%
2025	24,076,375	23,892,622	99.2%	-	23,892,622	99.2%

Source: Tarrant County tax assessor and collector.



Note: Information provided based on NAICS categories as reported by the State Comptroller. State law prohibits reporting of sales tax information associated with individual taxpayers.

Note: Other category includes Agriculture, Mining, Transportation, Educational, Health Care, Arts, and Public Administration/Other services.

City of Hurst, Texas
Sales Tax Rate and Sales Tax Revenue
Last Ten Fiscal Years

Table B-6

Fiscal Year Ended September 30,	Sales Tax Revenue General Fund	Sales Tax Sharing General Fund	Net Sales Tax Revenue General Fund	Net Sales Tax Revenue ACHCST Fund	Sales Tax Revenue CSHCST Fund	Sales Tax Sharing CSHCST Fund	Net Sales Tax Revenue CSHCST Fund
2016	10,823,317	759,423	10,063,894	5,438,519	5,423,974	379,711	5,044,262
2017	10,521,878	768,090	9,753,788	5,225,540	5,261,090	332,210	4,928,880
2018	10,611,912	859,187	9,752,725	5,290,203	5,306,115	331,107	4,975,008
2019	10,552,862	882,832	9,670,030	5,250,689	5,276,599	335,916	4,940,682
2020	10,128,793	726,473	9,402,320	4,921,887	5,064,575	248,236	4,816,339
2021	11,163,917	729,012	10,434,905	5,647,809	5,582,137	268,886	5,313,251
2022	12,303,493	178,388	12,125,105	6,097,685	6,151,956	-	6,151,956
2023	12,423,433	223,859	12,199,574	6,172,240	6,210,611	-	6,210,611
2024	12,204,309	219,463	11,984,847	6,058,772	6,103,825	-	6,103,825
2025	12,504,891	231,268	12,273,624	6,212,531	6,252,746	-	6,252,746
1.00% Local Sales Tax, Effective July 1, 1993							
0.50% Community Services Half-Cent Sales Tax, Effective July 1, 1993							
0.50% Anti-Crime Half-Cent Sales Tax, Effective January 1, 1996							
<u>2.00% Total Local Sales Tax Rate</u>							

Note: ACHCST refers to the Anti-Crime Half-Cent Sales Tax Fund. CSHCST refers to the Community Services Half-Cent Sales Tax Fund.

Note on Sales Tax Sharing: In August 1996, the City entered into agreements with Southeastern Simon, Inc. under Chapter 380, Texas Local Government Code, to promote new and expanded economic development. Per these agreements, the City will share a portion of the sales tax generated by such new and expanded business with Southeastern Simon, Inc. for a stipulated period of time. Sales tax sharing for the North East Mall expansion project began in fiscal year 2003 and concluded in fiscal year 2021.

**City of Hurst, Texas
Principal Water Customers
September 30, 2025**

Table B-7

	Consumption (1,000 Gallons)	Water Amount	Sewer Amount	Total Bill
Westdale Asset Mgr.	59,279	\$ 590,366	\$ 283,352	\$ 873,718
City of Hurst	55,828	460,063	84,393	544,456
Brookwind Ltd.	37,751	332,009	225,431	557,440
Wellesley Park Apt.	20,256	186,392	130,789	317,181
GR Asset N Booth Calloway LLC	20,118	188,207	138,082	326,289
Tarrant County College	16,027	129,539	26,382	155,921
Barrington Crossing Apartments	14,645	125,436	95,394	220,830
Cooks creek 255, LLC DBA The Boulders	14,079	166,067	109,254	275,321
Whispering Run Apartments	13,753	126,487	91,934	218,421
Simon Properties	13,279	111,974	44,685	156,659
Total	<u>265,015</u>	<u>\$ 2,416,540</u>	<u>\$ 1,229,696</u>	<u>\$ 3,646,236</u>

City of Hurst, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(principal only; dollars in thousands, except per capita)

Table C-1

Fiscal Year	Governmental Activities						Business-Type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Lease Obligation	Certificates of Obligation and Notes	Sales Tax Revenue Bonds	Lease Liability	Subscription Liability	Certificates of Obligation	Revenue and General Obligation Refunding				
								Subscription Liability	Subscription Liability			
2016	37,735	896	16,860	445	-	-	4,515	7,455	-	67,906	6.19%	1,769
2017	37,415	454	15,660	205	-	-	1,925	8,860	-	64,519	5.63%	1,680
2018	35,785	-	14,415	105	-	-	2,965	7,780	-	61,050	5.28%	1,589
2019	40,890	-	15,525	-	-	-	2,670	6,760	-	65,845	5.66%	1,710
2020	42,095	-	15,155	-	-	-	2,360	6,248	-	65,858	5.36%	1,693
2021	39,135	-	14,095	-	-	-	2,040	5,310	-	60,580	4.93%	1,556
2022	36,343	-	15,105	-	-	-	1,925	4,332	-	57,705	4.42%	1,427
2023	33,514	-	14,045	-	-	-	1,730	3,541	-	52,830	3.70%	1,306
2024	30,887	-	14,930	-	1,442	590	3,670	2,785	-	54,303	3.51%	1,292
2025	26,634	-	16,488	-	1,289	447	6,407	1,902	87	53,253	3.30%	1,316

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) See Demographic and Economic Statistics Table for personal income and population data.

Percentage of Personal Income is calculated using Total Primary Government divided by personal income.

Per Capita is calculated using Total Primary Government divided by population.

City of Hurst, Texas
Ratios of Net General Bonded Debt to Assessed Value and
Net Value Bonded Debt Per Capita
Last Ten Fiscal Years
(principal only; dollars in thousands, except per capita)

Table C-2

Fiscal Year	General Bonded Debt Outstanding			Less Debt Service Fund	Net Bonded Debt	Percentage of Appraised Value (1) of Property	Per Capita (2)
	General Obligation Bonds	Certificates of Obligation and Notes	Total				
2016	45,190	21,375	66,565	997	65,568	2.52%	1,708
2017	46,275	17,585	63,860	1,048	62,812	2.15%	1,635
2018	43,565	17,380	60,945	1,373	59,572	1.88%	1,551
2019	47,650	18,195	65,845	1,171	64,674	1.84%	1,679
2020	48,343	17,515	65,858	1,135	64,723	1.68%	1,663
2021	44,445	16,135	60,580	1,134	59,446	1.55%	1,527
2022	40,676	17,030	57,706	1,134	56,571	1.41%	1,399
2023	37,055	15,775	52,830	1,156	51,674	1.20%	1,277
2024	33,672	18,600	52,272	1,796	50,721	1.04%	1,254
2025	29,332	22,895	52,227	1,281	50,945	0.98%	1,259

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. This schedule includes General Bonded Debt Outstanding for Governmental Activities and Business-Type Activities, net of original issuance discounts and premiums.

(1) See Table B-1 for property value data.

(2) Population data can be found in Table D-1.

City of Hurst, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2025
(dollars in thousands)

Table C-3

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Direct			
City of Hurst	\$ 45,654	100.00%	\$ 45,654
Debt Repaid with Property Taxes			
Hurst-Euless-Bedford Independent School District	813,765	13.18%	107,254
Birdville Independent School District	575,575	8.89%	51,169
Grapevine/Colleyville Independent School District	302,425	0.63%	1,905
Tarrant County	314,050	1.51%	4,742
Tarrant County College District	547,535	1.51%	8,268
Tarrant County Hospital District	431,255	1.51%	6,512
Keller Independent School District	678,700	0.23%	1,561
Subtotal, overlapping debt			<u>181,411</u>
Total direct and overlapping debt			<u><u>\$ 227,065 (2)</u></u>

(1) Source: Texas Municipal Reports

(2) Gross Debt Outstanding

The City of Hurst does not have a legal debt limit prescribed by state law. However, Article XI, Section 5 of the Texas Constitution applicable to cities of more than 5,000 population limits the ad valorem tax rate to \$2.50 per \$100 assessed valuation, for cities operating under a Home Rule Charter. The City's Charter provides that general property taxes are limited to \$1.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation bonds.

The City's tax margin for the year ended September 30, 2025 was:

Maximum rate per \$100 valuation under Article XI	\$	2.500000
City of Hurst's 2024-25 rate		<u>0.591324</u>
Margin	\$	<u><u>1.908676</u></u>

City of Hurst, Texas
Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Water Revenue Bonds					
	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	20,145,243	20,259,538	(114,295)	-	-	0.00%
2017	21,349,781	20,027,047	1,322,734	-	-	0.00%
2018	22,628,247	20,466,468	2,161,779	-	-	0.00%
2019	21,229,151	21,286,679	(57,528)	-	-	0.00%
2020	21,779,612	20,373,220	1,406,392	-	-	0.00%
2021	21,575,460	17,472,191	4,103,269	-	-	0.00%
2022	24,479,806	19,182,933	5,296,873	-	-	0.00%
2023	24,048,164	20,169,110	3,879,054	-	-	0.00%
2024	25,409,627	21,112,574	4,297,053	-	-	0.00%
2025	25,456,434	22,909,122	2,547,312	-	-	0.00%

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

(1) Sales tax revenue bonds are backed by the sales tax revenue produced by the Half-Cent Community Services Development Corporation (HCCSDC).

(2) Excludes one-time, pay-as-you-go capital project costs.

Table C-5

Sales Tax Revenue Bonds (1)					
HCCSDC Sales Tax Revenue	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
			Principal	Interest	
5,044,263	3,028,990	2,015,273	235,000	16,320	8.02%
4,928,877	3,401,889	1,526,988	240,000	10,680	6.09%
4,975,008	3,347,995	1,627,013	100,000	4,840	15.52%
4,940,683	3,651,778	1,288,905	105,000	1,260	12.13%
4,816,339	2,548,896	2,267,443	-	-	-%
5,318,285	2,904,874	2,413,411	-	-	-%
6,151,956	3,497,697	2,654,259	-	-	-%
6,210,611	3,808,497	2,402,114	-	-	-%
6,103,825	4,048,101	2,055,724	-	-	-%
6,252,746	4,287,484	1,965,262	-	-	-%

City of Hurst, Texas
Demographic and Economic Statistics
Last Ten Calendar Years

Table D-1

Calendar Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment	Unemployment Rate
2016	38,380	1,097,054	28,584	38.3	13.2	6,897	4.1%
2017	38,410	1,145,770	29,830	38.4	13.2	6,930	3.5%
2018	38,410	1,156,256	30,103	38.3	13.3	7,036	3.4%
2019	38,510	1,162,771	30,194	37.2	13.4	6,729	4.9%
2020	38,910	1,227,649	31,551	37.0	13.6	7,022	6.5%
2021	38,930	1,228,280	31,551	37.0	13.6	6,132	4.6%
2022	40,430	1,306,374	32,312	37.8	13.7	6,118	3.4%
2023	40,452	1,427,025	35,277	38.1	13.8	5,986	4.1%
2024	40,454	1,489,354	36,816	38.3	13.7	6,061	3.9%
2025	40,454	1,614,600	39,912	38.3	13.7	6,119	4.0%

Sources: Population provided by the North Central Texas Council of Governments Regional Data Center. Median age, education level and personal income data provided by the US Census Bureau. Unemployment data provided by the Texas Workforce Commission. School enrollment data provided by the Texas Education Agency.

Note: Personal income is in thousands.

**City of Hurst, Texas
Principal Employers
Current Year and Nine Years Ago**

Table D-2

Employer	2016			2025		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Bell Helicopter Textron, Inc.	3,800	1	18.40%	4,200	1	19.40%
North East Mall (Collective employment of stores other than major employers listed)	1,706	2	8.26%	1,706	2	7.88%
Shops at Northeast Mall (Outside)	800	3	3.87%	800	3	3.69%
HEB ISD	-			582	4	2.69%
Tarrant County College	575	4	2.78%	542	5	2.50%
Walmart Supercenter	479	5	2.32%	479	6	2.21%
City of Hurst	400	6	1.94%	413	7	1.91%
Dillard's Department Store	338	7	1.64%	338	8	1.56%
Macy's	231	8	1.12%	231	9	1.07%
J.C. Penney Company	225	9	1.09%	225	10	1.04%
Target Superstore	210	10	1.02%	-		
Total	<u>8,764</u>		<u>42.44%</u>	<u>9,516</u>		<u>43.95%</u>

Source: City Economic Development Division/City Records.

City of Hurst, Texas
Full-time Equivalents City Government Employees
By Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2016	2017	2018	2019
General Government				
Management services	8.0	8.0	8.0	7.0
Finance	9.0	9.0	9.0	9.0
Planning	6.0	6.0	6.0	6.0
Building	2.0	2.0	2.0	2.0
Other	36.5	34.2	35.1	34.0
Conference Center	24.2	21.7	21.7	21.7
Police				
Officers	75.0	75.0	75.0	75.0
Civilians	48.5	48.5	48.5	56.5
Fire				
Firefighters and officers	56.0	56.0	56.0	56.0
Civilians	1.6	1.5	1.5	1.5
Other Public Works				
Engineering	9.2	9.2	9.0	9.0
Other	23.9	23.9	23.9	24.6
Parks and Recreation	66.1	70.2	72.9	49.5
Library	26.7	28.3	28.3	23.5
Water	19.0	19.0	19.0	19.0
Wastewater	10.0	10.0	10.0	10.0
Total	421.7	422.5	425.9	404.3

Source: Human Resources and Budget Offices.

Table E-1

Fiscal Year					
2020	2021	2022	2023	2024	2025
7.0	7.0	7.5	8.5	7.0	7.0
9.0	9.0	10.0	10.0	9.0	9.0
6.0	6.0	5.0	5.0	5.0	5.0
2.0	2.0	2.0	2.0	2.0	2.0
34.0	34.0	30.8	31.5	33.3	33.3
21.7	21.7	21.5	22.5	25.0	25.0
75.0	75.0	74.0	74.0	75.0	75.0
56.5	56.5	56.5	54.5	48.0	48.5
56.0	56.0	56.0	56.0	56.0	56.0
1.5	1.0	1.0	1.0	1.0	1.0
9.0	9.0	8.0	8.5	8.5	9.5
24.6	23.6	23.5	24.0	23.0	23.0
49.5	58.5	65.0	73.0	69.0	68.0
23.5	23.5	23.5	21.5	24.0	21.5
19.0	19.0	19.0	19.0	19.0	19.0
10.0	10.0	10.0	10.0	10.0	10.0
404.3	411.8	413.3	421.0	414.8	412.8

City of Hurst, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2016	2017	2018	2019
General Government				
Building permits issued				
Commercial				
Number issued	123	136	132	145
Estimated cost	\$ 35,918,137	\$ 24,515,873	\$ 14,936,691	\$ 48,862,248
Residential				
Number issued	191	158	124	98
Estimated cost	\$ 4,831,284	\$ 3,514,922	\$ 5,161,297	N/A
Public Safety				
Police				
Physical arrests	2,592	2,607	2,351	1,901
Parking violations	152	168	148	93
Traffic violations	15,327	14,942	13,581	10,590
Fire/Emergency Medical Services				
Emergency responses	4,811	4,873	4,996	4,867
Patients transported	2,267	2,216	2,065	2,131
Fires extinguished	112	100	122	85
Average Response Time:				
Fire	5:06	4:35	5:07	5:01
EMS	4:28	4:59	5:09	5:36
Inspections	579	300	1,584	1,651
Public Works				
Street resurfacing (miles)	7	7	6	7
Potholes repaired (sq. yards)	12,200	6,612	4,540	2,317
Culture and Recreation				
Parks and recreation				
Athletic field reservations issued	87	60	51	55
Recreation center admissions	281,861	270,356	240,979	236,039
Library				
Volumes in collection	145,474	142,751	135,659	124,157
Total volumes borrowed	378,417	348,932	416,395	411,691
Water and Sewer				
Water customer billings at 9/30	12,257	12,327	12,193	12,385
Water main breaks	40	27	41	39
Average daily consumption (millions of gallons)	4.90	5.02	5.23	4.88

Sources: Various city departments.

(1) As of September 30, 2019, this amount represents square footage as the City can no longer request valuation on residential property. However, Planning and Community Development did identify a report in fiscal year 2024 that provides square footage, which will be used from this point forward.

Table E-2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 29,666,561	\$ 5,935,919	\$ 68,955,551	\$ 66,427,532	\$ 39,962,841	\$ 2,555,607
95	81	225	206	134	178
102	127	413	608	1,612	1,059
N/A (1)	N/A (1)	N/A (1)	N/A (1)	3,142,568 (1)	2,026,253 (1)
1,493	1,618	1,458	1,452	1,671	1,205
96	76	194	38	14	139
6,592	4,644	3,112	3,147	4,814	2,588
4,911	5,385	5,312	5,330	5,498	5,575
2,136	2,340	2,279	2,541	2,336	2,888
88	107	139	121	95	109
5:25	5:57	5:44	5:48	6:00	6:00
5:07	5:01	5:05	5:50	6:02	6:13
600	195	344	1,327	1,632	1,590
6	5	5	9	12	11
2,539	728	715	225	298	104
17	11	468	458	206	429
128,271	116,210	135,529	125,512	166,003	123,504
120,707	122,145	123,381	123,543	109,802	103,249
242,686	253,296	290,074	242,262	297,598	309,301
12,385	12,393	12,318	12,520	12,143	12,627
39	31	57	35	24	34
4.96	5.03	3.22	4.90	4.74	4.58

City of Hurst, Texas
Capital Asset Statistics
By Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended			
	2016	2017	2018	2019
Police				
Stations	1	1	1	1
Store fronts	2	2	2	2
Patrol units	26	28	28	28
Fire Stations	3	3	3	3
Other Public Works				
Streets (miles)	148	148	148	148
Traffic signals	56	56	56	56
Parks and Recreation				
Acreage	280	280	280	280
Playgrounds	16	16	16	16
Family aquatic centers	2	2	2	2
Water				
Water mains (miles)	204.00	205.00	205.00	205.00
Fire hydrants	1,226	1,235	1,240	1,330
Storage capacity (millions of gallons)	9.40	9.40	9.40	9.40
Wastewater				
Sanitary sewers (miles)	154.50	154.50	154.84	155.00
Storm sewers (miles)	86.00	86.00	86.00	86.00

Sources: Various city departments.

Table E-3

Fiscal Year Ended					
2020	2021	2022	2023	2024	2025
1	1	1	1	1	1
2	2	2	1	1	1
28	28	27	27	28	28
3	3	3	3	3	3
148	148	148	148	148	148
56	56	56	56	56	56
280	280	280	280	280	280
16	16	15	15	15	15
2	2	2	2	2	2
205.00	205.00	210.00	210.00	210.00	210.00
1,339	1,339	1,356	1,356	1,370	1,370
9.40	9.40	9.40	9.40	9.40	10.10
155.00	155.00	150.90	150.90	150.90	153.00
86.00	86.00	92.90	92.90	92.90	95.49

